

BEARINGS FROM POLAND... FLT & METALS LTD. Tel. (01) 568 5125/6

TUC leaders hostile to cash limits

By Christian Tyler, Labour Editor. TUC LEADERS yesterday opened a gap between the union movement and the Labour Government by assenting to a strongly worded attack on cash limits...

Owen puts new plan to Smith

By Martin Dickson and Tony Hawkins. SALISBURY, Sept. 1. MR. DAVID OWEN, British Foreign Secretary yesterday presented Mr. Ian Smith with new Anglo-U.S. settlement proposals...

Britain proposes interim direct rule for Rhodesia

By Bridget Bloom, Africa Correspondent. Proposals which would effectively establish British direct rule over Rhodesia for the first time were published simultaneously in London, Washington and Salisbury yesterday.

The proposals, which are designed to secure an orderly transfer of power in an elected black majority government by next year, are the most far-reaching produced by a British Government on Rhodesia. They provide for the appointment of a British resident commissioner with full executive, legislative and military powers over an interim administration...

Morpeth to revise proposals for inflation accounting

By Michael Lafferty, City Staff. REVISED and vastly simplified inflation accounting proposals which it is said will resolve even the accounting problems of banks are to be published by the Morpeth Inflation Accounting Steering Group in November.

The new approach will be set out in four discussion papers consisting of proposals for a "core standard" concentrating on the main elements of current cost accounting (CCA), and three "satellite standards" dealing with the valuation of fixed assets, stocks, and small companies. The discussion papers will be followed by public hearings in January and February, and final draft standards should be ready for consideration by the Accounting Standards Committee...

Good half-year for BP, ICI

By Ray Dafter and Kevin Done. BOTH BRITISH Petroleum and Imperial Chemical Industries produced better than expected results for the first half-year yesterday.

BP shares rose 20p to 910p on the news that net income in the first six months was £166m, more than double last year's depressed results. The second-quarter figure was £75.7m. ICI shares jumped sharply after the announcement that first-half pre-tax profits had increased by £20m, to £209m. At one point shares reached 320p, up 6p but, in tune with the market, they closed slightly back at 418p.

Table with 2 columns: FEATURES, COMPANIES. Lists various market news items and company performance.

Pressure

In a statement issued here this afternoon, Dr. Owen said a new Zimbabwe National Army should be formed, based on the "liberation forces".

Among the more controversial proposals on the black side will be the assumption that the administration and police would remain much as they are today.

Conflict

The General Council already has a limited understanding on wage restraint by insisting that there should continue to be a 12-month gap between pay settlements. Conscious of the possibility of a conflict between the 12-month rule and the new resolution...

Impractical

The General Council decided yesterday to ask the National Union of Journalists to withdraw a resolution that attacks its small rival, the Institute of Journalists, as a "strike-breaking and anti-union organisation".

Target

The National Union of Public Employees, the major union in forthcoming negotiations for industrial authority workers led by cash limits, wants a £50 a week minimum to back its own pay demand.

Men and Matters

It was felt that resolution was impractical because the ICI, despite NUJ objections, has been certified as an independent union under the current registration procedure.

Table titled '£ in New York' showing exchange rates for various currencies.

There it sits in your company, eating up wages, office space, equipment and administrative costs. If it has a sophisticated appetite it may also demand more than its fair share of your computer time...

Is your Share Register eating up your profits? NatWest Registrars Department. National Westminster Bank Ltd. Registrars Department, National Westminster Court, 37 Broad Street, Bristol BS99 7NH.

Equities hit by profit taking

Equities hit by profit taking. Shares ended narrowly mixed and the FT Composite Securities Index hardened 0.02 to 79.91.

Raw-out air

Raw-out air. A prolonged disruption of flights at U.K. airports seemed likely as a result of yesterday's decision to suspend the Civil Aviation Authority's powers to suspend licences of airlines without a court order.

Bloemfontein

Bloemfontein. The South African government has ordered the closure of all schools in the Bantustans from September 1st.

Portugal backs Renault plan

Portugal backs Renault plan. Renault's plans for expanding production and building a new engine plant in Portugal have been approved by the Portuguese Government.

Companies

Companies. BRITISH Electrical Traction has produced a record result of £55.31m. (P42.18m.) for the year to March 31. Page 24.

Price changes

Table titled 'PRICE CHANGES YESTERDAY' showing price movements for various commodities and currencies.

Share register

Share register. NatWest Registrars Department. National Westminster Bank Ltd. Registrars Department, National Westminster Court, 37 Broad Street, Bristol BS99 7NH.

Equities

Table titled 'EQUITIES' showing share prices for various companies.

Commodities

Table titled 'COMMODITIES' showing prices for various raw materials and goods.

LOMBARD

Avoiding a pay explosion

BY PETER RIDDELL

THE City believes that there will not be a repetition of the 1974-75 wage explosion during the next 12 months. Both the stock and foreign exchange markets, along with most forecasters, are assuming a rise in average earnings of between 12 and 17 per cent in the coming year.

Relationships

This does not necessarily undermine the long-term monetarist relationships, whatever chain of causation one prefers. But it does mean that a plausible theory of why we may not have a pay explosion in the next 12 months must rest on more immediate restraints, including the past monetary squeeze.

Indirectly

The Government has frequently stated its intention to take a tough line in the public sector where many of the largest claims have so far been made.

NORTH SEA OIL REVIEW

TARTAN POINTS THE WAY

TEXACO'S DECISION to proceed with the development of its Tartan Field is a welcome, if not totally unexpected, boost to Britain's offshore programme.

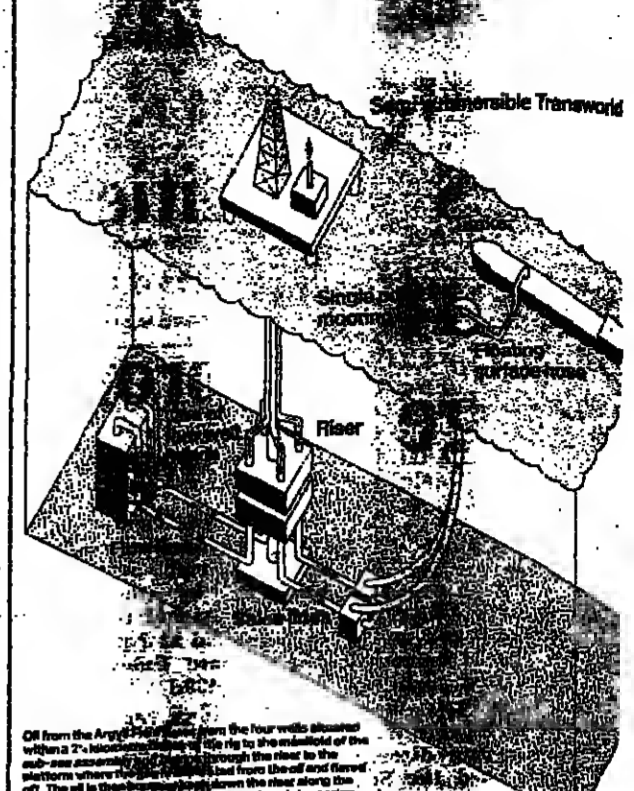
CONTRACTS

Some companies have gained the impression, perhaps with some justification, that the Government and British National Oil Corporation will help them gain contracts in the face of foreign competition.

RELATIONSHIPS

It is quite likely that companies involved in Argyle will ask the Government to waive royalty payments in order to prolong the production from Argyle.

HOW OIL IS PRODUCED FROM THE NORTH SEA



The field, with 150m barrels of recoverable reserves, is according to the figures of the Mackenzie Group the less profitable of the North Sea's commercial fields. The expected production has been further delayed by the delay in Heather's start.

TV Radio

- 6.30 Nationwide.
6.50 The Wonderful World of Disney.
7.40 The Liver Birds.
8.10 Miss United Kingdom 1977.

F.T. CROSSWORD PUZZLE No. 3456

Crossword puzzle grid with 15 across and 15 down clues.

- 1 Steal that which is suitable (11).
2 Add detail to that which is complete (9).
3 One in position for fish (6).

BBC 2

- 6.40 a.m. Open University.
11.00 Play School.
11.30 Open University.
12.00 News on 2.

LONDON

- 9.20 a.m. Summer School.
10.15 The Sun.
11.00 This Week.
11.30 Time to Remember.

BORDER

- 10.15 a.m. Walking Westward.
10.40 News on 2.

GRANPIAN

- 9.25 a.m. First Time.
10.15 a.m. News on 2.

CHANNEL

- 11.20 a.m. Channel Lunchtime News.
11.30 News on 2.

GRANADA

- 9.25 a.m. Segue Street.
10.15 a.m. News on 2.

SCOTTISH

- 10.15 a.m. Walking Westward.
10.40 News on 2.

YORKSHIRE

- 11.15 a.m. Friends of Man.
11.30 News on 2.

TENNIS

BY JOHN BARRETT IN NEW YORK

Evert hits top form

NEW YORK produced one of those hot sweating mornings for ladies day at the 1977 U.S. Open Championships.

Point lost

The second of Wednesday's night matches involved two of America's best youngsters—John McEnroe of Douglaston, a New York suburb, and Eliot Teltscher, of California.

RACING

The Matron-based jockey has collected several likely looking mounts at the North Yorkshire track, where his heat chance could be with the Newmarket-trained American-bred and Australian-owned Lady Lindsay.

Lady Lindsay looks safe

IN SPITE of the presence of a runs behind her, Lady Lindsay, will be relying on Clive Brittain-trained runner at Sandown, Edward Hyde has opted for the comparatively minor meeting at Thirsk.

BBC Radio London

- 6.00 a.m. As Radio 4 and 94.9 VHF.
6.30 London Live.

SANDOWN

- 2.00—Overlook.
2.30—St. Terramar.
3.00—English Harbour.

WE THE LIMBLESS LOOK TO YOU FOR HELP

THE RHODESIAN SETTLEMENT PROPOSALS

PROPOSALS WHICH would effectively establish a limited period of British rule in Rhodesia for the first time ever were published yesterday in London and Salisbury yesterday. Backed by the U.S. Government, the proposals call for the resignation of Mr. Ian Smith's Government and the replacement by an interim government.

ment issued by a British resident Commissioner who would have full executive and legislative powers and have ultimate control over the armed forces and police.

UN representative and his team would work alongside the British Resident Commissioner.

Sanctions would be lifted once Mr. Smith's Government had agreed to hand over to the Commissioner and the relevant legislation had been passed in the U.K. Parliament, Rhodesia would become independent as Zimbabwe in 1978, following general elections supervised by the Commissioner and "observed" by the UN representative.

A constitution would then enter into force which would include a Bill of Rights allowing appeal to the courts. There would be a single chamber Parliament in which one-fifth of the members would be indirectly elected to "give adequate representation to minority communities."

These members—to be chosen by the directly-elected ZIPs—would not be able to block legislation. But the constitution could not be amended to abolish their seats for at least eight years after independence.

Provision is also made for a Zimbabwe Development Fund, of between \$US150m. and \$US1,500m., of which Britain would contribute 15 per cent. and the U.S. 49 per cent. It would be used for general development but could also be used to transfer property and other assets now in white hands to Africans.

U.K. appointee to head team

THE PROPOSALS include provisions for the establishment of an interim administration to cover the period between the resignation of the present Rhodesian Government and the installation of an elected government of an independent Zimbabwe.

Although "it is impossible to lay down an exact timetable for the transition period," the proposals say that the interim administration will last for six months, during which time the British Government will exercise full executive and legislative powers, there will be no parliament, and he will not be advised or assisted by ministers.

The transitional constitution (to be enacted by the U.K. Parliament) will specify a number of key posts which must be vacated on the establishment of the interim administration. They will not be filled until there is a new Zimbabwe government.

Transition

the elections are fair and impartial.

On this key question of law and order during the transition, the proposals say that "primary responsibility" will rest with the police forces acting under the Resident Commissioner. The UN representative however "may appoint liaison officers to the police forces."

The Resident Commissioner will be in full charge of the interim administration, subject only to instructions from the British Government. He will have full executive and legislative powers, there will be no parliament, and he will not be advised or assisted by ministers.

Westminster model to be employed

THE CONSTITUTION is modelled on "Westminster" lines, although the proposals state that instead of the suggested executive President and Vice-President there could be a Prime Minister and constitutional President.

The main provisions are for a National Assembly, elected on universal suffrage (voting age 21 with one-fifth of its members indirectly elected "to give adequate representation to minority communities.") There is a justiciable Bill of Rights, provisions for an independent judiciary and a non-political civil service.

The President will be elected by universal suffrage but must be endorsed by half of the National Assembly, from which he must choose "a limited number of ministers."

The Constitution

Although the exact way this will be achieved "will be a matter for further discussion," the proposals say that Parliament may only abolish provisions for the SEM seats after the life of two Parliaments, or after eight years (whichever is the longer).

Parliament makes laws, and the President may not withhold his consent for more than six months unless he then dissolves Parliament and calls new elections within two months.

The Bill of Rights (with "provision on the lines of those in the constitutions of other recently independent Commonwealth countries") guarantees 13 fundamental freedoms, including life, liberty, conscience, association, movement and freedom from discrimination.

New army based on 'liberation forces'

DETAILS on the crucial security arrangements to back up the proposed interim administration in Rhodesia were not included in the White Paper but were the subject of a special statement by Dr. Owen, the Foreign Secretary, in Salisbury yesterday. Dr. Owen proposes the creation of a new Zimbabwe Army, which would be open to all citizens, would "be based on the liberation forces."

It is specifically proposed to disband units of the present Rhodesian forces—the Selous Scouts and the Rhodesian and the liberation armies is an implied if not specific condition of the creation of a new army.

While primary responsibility for law and order during the transition will lie with the police (who will have a new Commissioner and some members appointed by the UN special representative) a UN force will supervise the ceasefire.

Development Fund

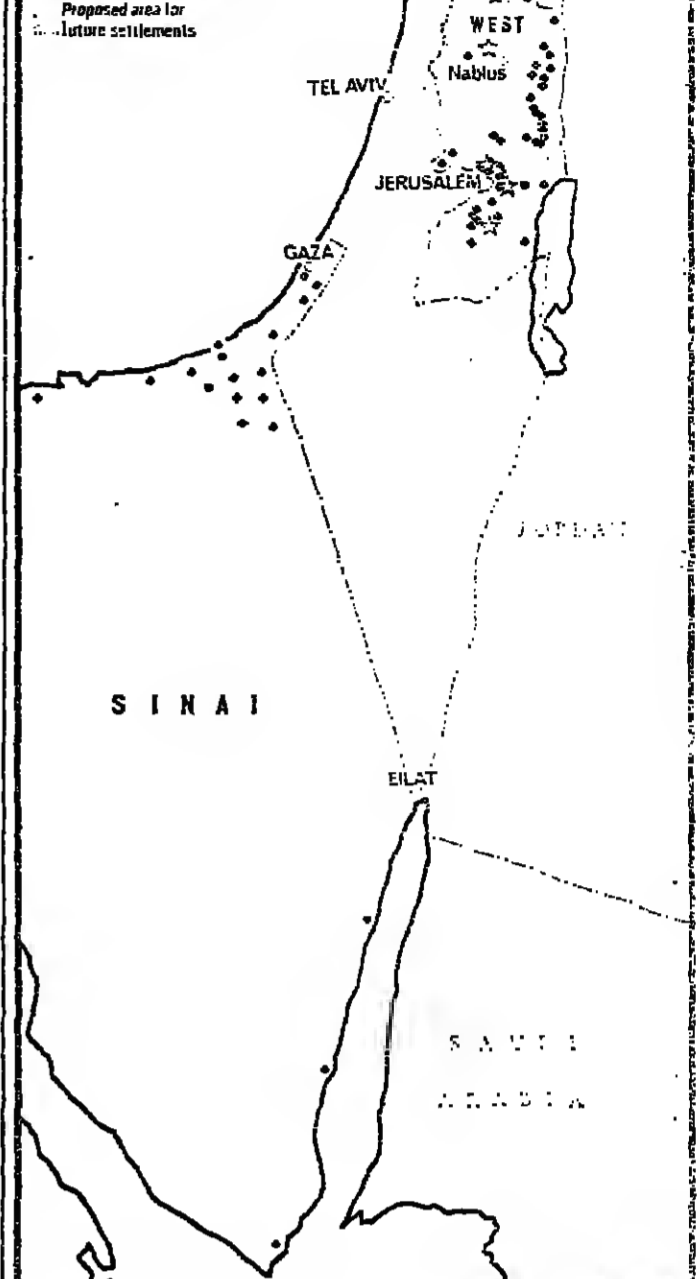
access to ownership of farms, houses and businesses.

The Fund would have the full support of the U.K. which, subject to Parliamentary approval, would contribute 15 per cent. of its resources up to a maximum of £75m. with an addition of £41m. in bilateral aid over five years; the total would be £116m.

Other countries would be invited to subscribe; capital would be on concessionary terms and the Fund's life would be at least five years. It would be managed by the World Bank as agent of the U.K. Government.

OTHER OVERSEAS NEWS

ISRAELI SETTLEMENTS IN THE OCCUPIED TERRITORIES



Approximate populations of Israeli-occupied Arab territories—

Territory	Arab	Jews
West Bank	650,000	4,063
Golan Heights	8,900	3,999
Gaza Strip	400,000	2,000
Sinai	—	1,900

The Bedouin population is probably in the low thousands. The preliminary returns of the most recent Egyptian census records 147,000 Egyptians as being in "occupied territories," and this may include the Gaza Strip which is not technically part of Egypt.

1. About ten kilometres from Jerusalem on the road to Jericho.
2. Just north of Jerusalem.
3. West of Jenin.
4. At Sebastiya, north-west of Nablus.
5. South of Bethlehem.

Major resettlement plan by Israel on West Bank

BY DAVID LENNON TEL AVIV, Sept. 1.

A PLAN for a major Jewish settlement on the occupied West Bank of Jordan is currently being prepared under the direct guidance of Mr. Ariel Sharon, Israel's Minister of Agriculture, and the man in charge of Jewish settlement in occupied Arab territory.

The apparent aim of the plan is to surround the Arab population centres on the West Bank by Jewish towns and settlements in order to effectively prevent any further growth of these Arab areas.

One of the major elements in the plan is the creation of a new belt of Jewish settlements which will run north-south, west of the line of Arab cities on the West Bank.

Pakistan politicians must state their assets

By Simon Henderson ISLAMABAD, Sept. 1.

GENERAL ZIA-UL-HAQ, Pakistan's military ruler, today ordered all candidates in the October 15 general election to submit to the election commission details of their financial assets and liabilities between December 1976 and July 1977, the period of Mr. Z.A. Bhutto's Government.

This could prove a body blow to Mr. Bhutto and his Pakistan Peoples Party, who are widely suspected of having used their time in office to better themselves financially.

General Zia announced the move in a major speech at a Press conference in Rawalpindi. During the conference he was pressed by journalists on the issue of public disclosure of the findings of current investigations into alleged abuses under the Bhutto regime, which the general ordered today. He sidestepped the issue, saying merely that he would not try to suppress private actions against Mr. Bhutto.

Somali leader returns after Cairo arms talks

BY OUR FOREIGN STAFF

PRESIDENT SIAD Barre of Ethiopia has effectively demolished this assertion. President Siad Barre met President Sadat on Wednesday night, on his way back from an announced visit to Moscow during which he may have asked for more arms supplies.

Following the meeting between the two presidents, an Egyptian official said that their two viewpoints were "in agreement," but there was no further statement.

Japan economic growth up 1.9%

BY DOUGLAS RAMSEY TOKYO, Sept. 1.

JAPAN'S ECONOMY grew by 1.9 per cent. in the second quarter and almost the entire increment is put down to domestic components rather than exports, according to figures released this evening by the Economic Planning Agency (EPA).

Gandhi passport denied due to investigations

BY K. K. SHARMA NEW DELHI, Sept. 1.

MR. MORARJI DESAI, the Indian Minister, today indicated a few days ago by Mr. Charan Singh, the Home Minister, that the "net is coming closer" to given a passport for which she had applied.

S. Africa Press threat

BY QUENTIN FEEL JOHANNESBURG, Sept. 1.

OFFICIAL criticism of South Africa's leading black newspaper, The World, has been fuelled by renewed attacks from Mr. John Vorster, the Prime Minister, and Mr. Jimmy Kruger, the Minister of Police and Justice.

Meat boycott in Lebanon

BEIRUT, Sept. 1.

FORCES which halted in the Lebanese civil war joined today to back a consumer boycott to try to reduce soaring meat prices.

Kodak instant camera plans

ROCHESTER, N.Y., Sept. 1.

Eastman Kodak said it will soon be marketing its newest instant camera, The Handle, worldwide. The company said European dealers will receive deliveries this month and dealers in Asia, Africa, Australasia and Latin America in October.

Finnish TV

Financial Times Reporter

The Finnish broadcasting company Oy Yleisradio (YLE) has placed a £2.2m. contract with Pyc TVE, the broadcast company of the Philips Group, for all the video equipment for four studios in YLE's production complex in Helsinki, which has five studios.

Vertical text on the left margin, including "Africa", "India", "Pakistan", "Japan", "Lebanon", "Kodak", "Finnish TV".

Vertical text on the right margin, including "Other Overseas News", "Israeli Settlements", "Major Resettlement", "Meat Boycott", "Kodak", "Finnish TV".

EUROPEAN NEWS

French coalition members draw up joint manifesto

BY ROBERT MAUTHNER

PARIS, Sept. 1

THE FRENCH Government coalition parties have reached a compromise on a joint election manifesto for the general election next spring...

Reflation welcomed by industry

BY ROBERT MAUTHNER

PARIS, Sept. 1

THE REFLATIONARY package which will be injected into the economy, announced by the Government yesterday, has been welcomed by industry...

W. German new orders drop 2%

BY ADRIAN DICKS

BONN, Sept. 1

FURTHER CONCRETE evidence of the slowdown in the West German economy came today from official statistics showing a two per cent drop in new orders received by industry during July...

Danish crisis resolved

BY HILARY BARNES

COPENHAGEN, Sept. 1

DENMARK'S LATEST parliamentary crisis was resolved late last night when the Social Democratic minority Government and three opposition parties reached an agreement on a series of economic stabilisation measures...

TWA's daily non-stop 747 to Chicago. Leaves London at 12.30, arrives 15.00. Call your travel agent, or TWA.

No.1 across the Atlantic TWA. TWA carries more scheduled passengers...

Diamond shares takeover by Angola

BY OUR OWN CORRESPONDENT

LISBON, Sept. 1

THERE WAS an offer to take control of the wealth which belongs to the Angolan people and determine the most convenient way to rationalise that wealth and exploit it fully...

Suarez asks Italian help on EEC

BY OUR OWN CORRESPONDENT

ROME, Sept. 1

THE Spanish Prime Minister, Adolfo Suarez, continued his European tour here today with talks with the Italian Premier, Sig. Giulio Andreoli...

Cypriot row boils up over Famagusta

BY OUR OWN CORRESPONDENT

NICOSIA, Sept. 1

TURKISH Cypriot authorities today postponed the resettlement of 197 families of Greek Cypriots in the city of Famagusta...

Italian commercial banks cut prime rate by 1.5%

BY PAUL BETTS

ROME, Sept. 1

ITALY'S LEADING commercial banks tonight cut their lending rate to prime borrowers by one and a half points, from 12.5 per cent to 11.0 per cent...

Earthquake official resigns

BY OUR OWN CORRESPONDENT

ROME, Sept. 1

SIG. GIUSEPPE Zamberletti, an allegations of corruption against Italian Under-Secretary for the Interior and the former Government special commissioner for the Friuli earthquake region...

Strike by Spain shoe workers hits exports

BY DIANE SMITH

MADRID, Sept. 1

THE STRIKE by 50,000 of Spain's 70,000 footwear workers shows no signs of ending. Management and workers have hardened their positions since the strike began 10 days ago...

Strike by Spain shoe workers hits exports

BY DIANE SMITH

MADRID, Sept. 1

THE STRIKE by 50,000 of Spain's 70,000 footwear workers shows no signs of ending. Management and workers have hardened their positions since the strike began 10 days ago...

Disarm over Finmark devaluation

BY LANCE KEYWORTH

HELSINKI, Sept. 1

THE FINNISH Government's decision to devalue the markka has been met with incredulity and anger in industrial circles here...

SAAB Dealers

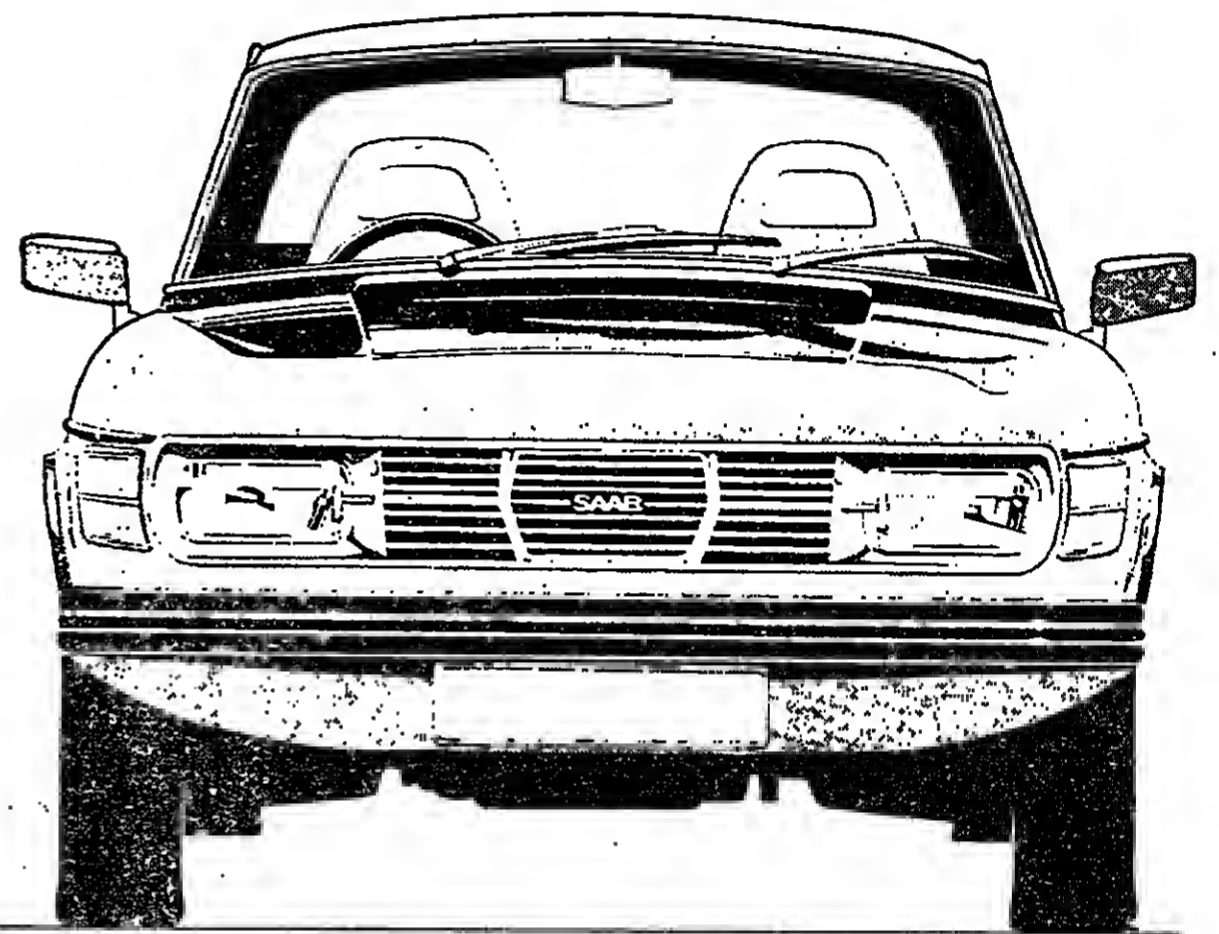
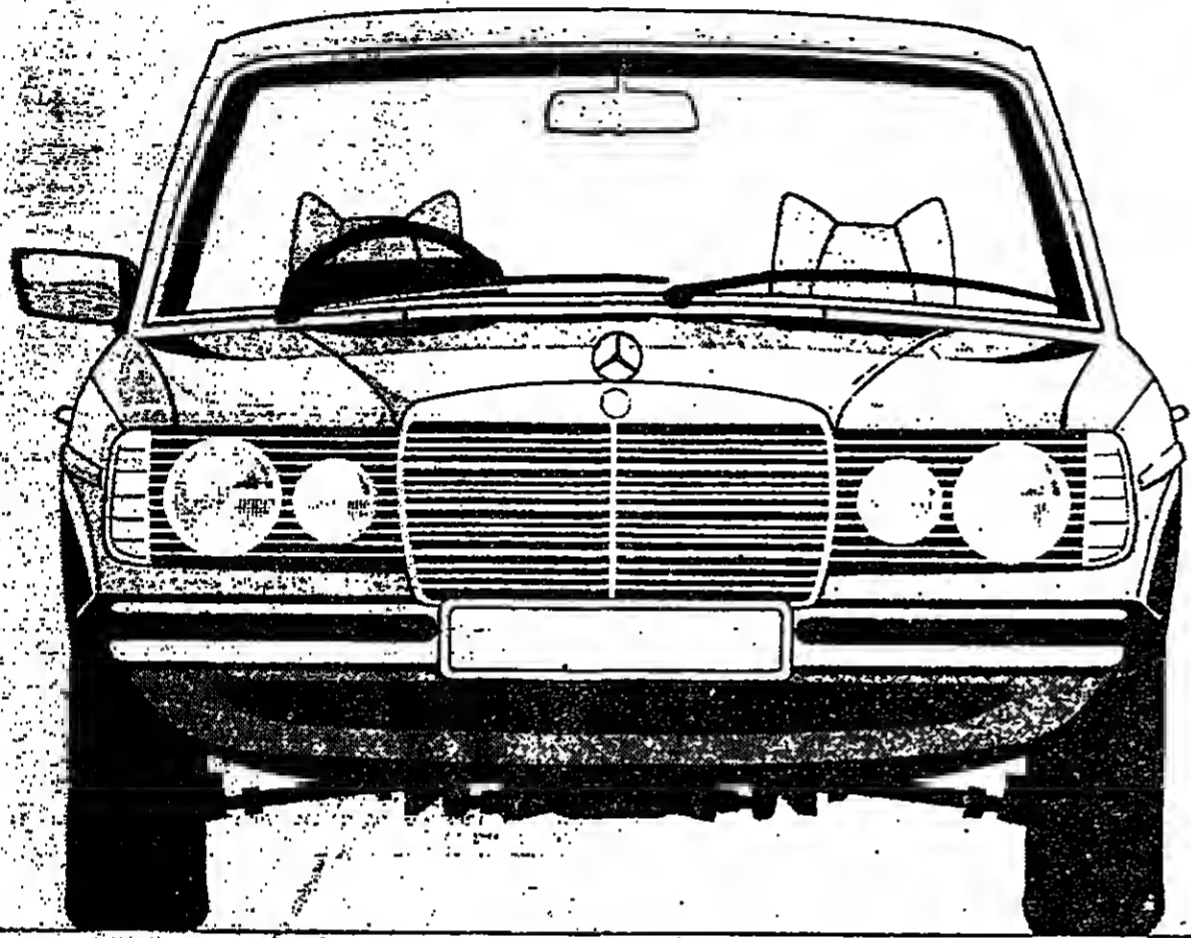
SAAB Dealers. AVON Bath Grosvenor Garage (15th) Ltd., London Road, Bath BA1 2BQ. Weston Super-Mare Motor Company, Main Road, Weston, Somerset BA5 4AB.

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Extra
5
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12 months mileage unlimited
86 dealers
Group 7
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100 mph
0-60/14.8 secs
Cloth
Not available
Not available
Not available

Seat Belts

5

Seats

12 months

Luggage Space

Warranty

Service

Insurance

Fuel Economy

Speed

Performance

Upholstery

Headlamp Wash/Wipe

Self Warming Driver's Seat

Self Repairing Bumpers

Saab 99GL 4 door

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12 mths 24 mths eng. and gearbox mileage unlimited
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0-60/12.9 secs
Velours
Standard
Standard
Standard

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SAAB

One of the world's finer cars. Engineered for your safety by Saab-Scania of Sweden.

See adjacent page to arrange a test drive. All performance figures from 'Car' Magazine, August 1977. Specifications by manufacturers. SAAB (Gt. Britain) Ltd, Fieldhouse Lane, Marlow, Bucks. SL7 1LY. Tel: Marlow 6977.

September 2 1977

Strike by Spain shoe workers hits exports

By Diana Smith

MALAGA

THE STRIKE by 50,000 footwear workers in five pairs of Spanish provinces since the 15th days ago, and trucks adlock.

Footwear accounts for 10 per cent of Spanish exports in five pairs of the United States, Japan, and Spain is the world's largest shoe producer.

In 1976, Spanish footwear concentrated mainly in the southern provinces of Cordoba and Murcia.

Footwear has been Spain's most rapidly growing industry, particularly in the south, with exports rising from 25 to 28 per cent of total output.

For several years, wages and prices have risen, accounting for 10 per cent of the cost. Any firm that can afford to invest in machinery will pay higher wages than fixed social security.

In the middle of August, a 7,500-man strike for a week plus a 40-day annual holiday and a 30-day case of work redundancies.

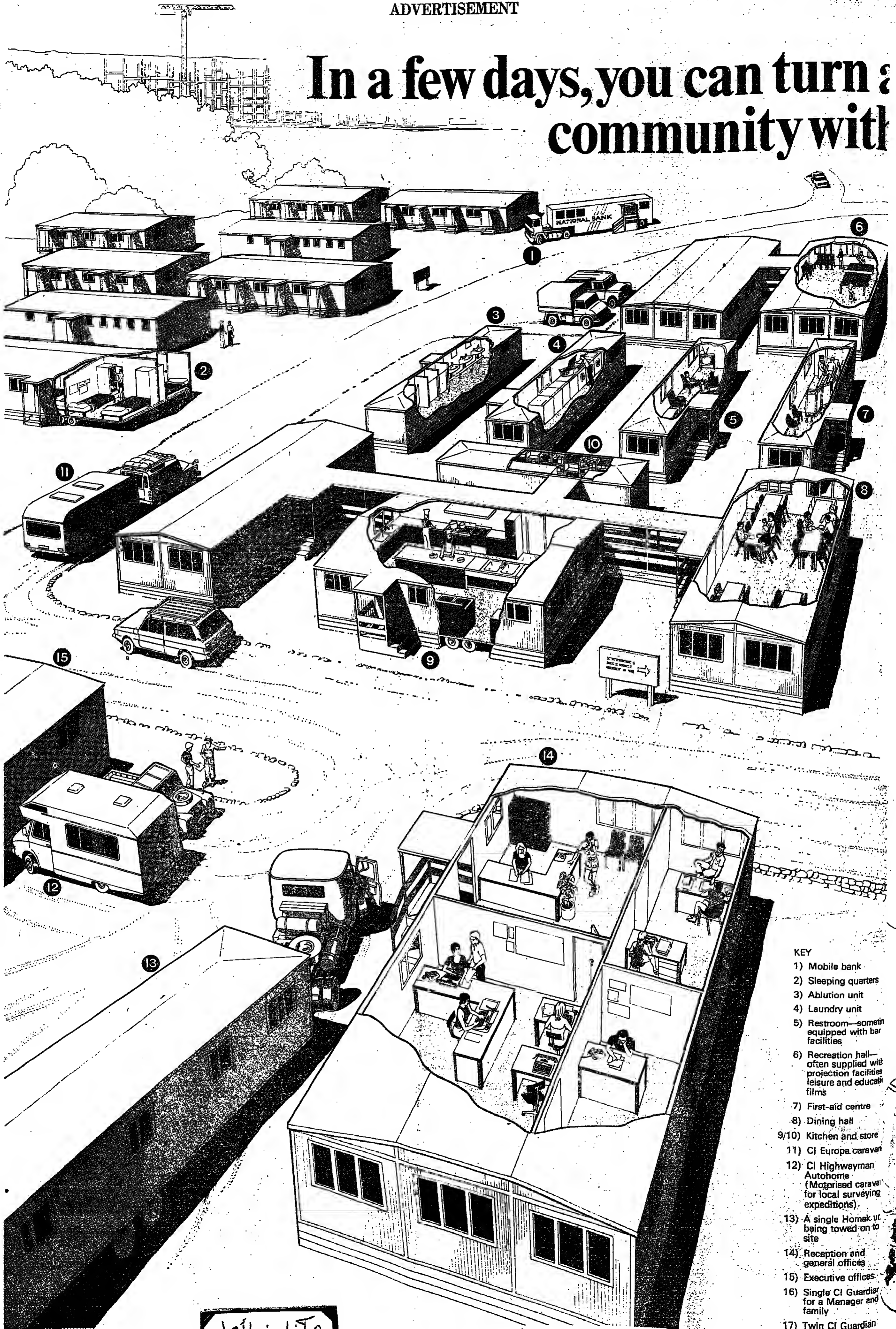
Management demands a 10 per cent wage rise. On August 26, the strikers went on strike, followed by other workers later in the week. Some 800,000 pairs of shoes lost a serious export trade.

While conflict in the footwear industry is the cause of the Spanish shoe industry's problems, the government is presenting a 75 per cent sales tax, 13.1 per cent higher than last month, and a 10 per cent deficit by next year.

Spain's shoe industry is particularly in need of more machinery. The industry is a leader in the world, but it is lagging in machinery.

ADVERTISEMENT

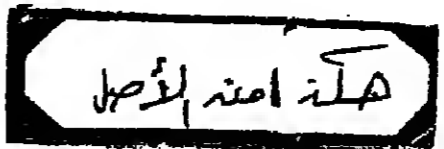
In a few days, you can turn a community with



- KEY
- 1) Mobile bank
 - 2) Sleeping quarters
 - 3) Ablution unit
 - 4) Laundry unit
 - 5) Restroom—sometimes equipped with bar facilities
 - 6) Recreation hall—often supplied with projection facilities, leisure and educational films
 - 7) First-aid centre
 - 8) Dining hall
 - 9/10) Kitchen and store
 - 11) CI Europa caravan
 - 12) CI Highwayman Autohome (Motorised caravan for local surveying expeditions)
 - 13) A single Homak unit being towed on to site
 - 14) Reception and general offices
 - 15) Executive offices
 - 16) Single CI Guardian for a Manager and family
 - 17) Twin CI Guardian for an Executive and family

John H. Smith

ADVERTISEMENT



wasteland into a thriving Caravans International

A new industrial revolution is sweeping the world. New projects are being launched with an exciting vitality. Where national economies are expanding, roads, mines, dams, bridges, railways and factories are being created—often in the wilderness. And the men involved must be housed, fed and rested. Any of these projects draws on industry from thousands of miles away and the key to success is the men working on the project. Imported and local workers will be living and working far from the nearest town for months—maybe years—at a time.



Homak sleeping/ablation unit on site.

Such is the nature of these Roll-on Roll-off vessels: on developments that no housing arrival overseas they can be taken direct to the site. In undeveloped areas this can save hundreds of men, likely lengthy delays organising and waiting for loaders, cranes which are available are likely to be prohibitive in cost and uncertain in standards.

Before any project begins, men must be on site to take delivery of equipment and materials. These men need a variety of accommodation for living and working in and they need it quickly. Above all they need accommodation that is tough and durable yet comfortable and suitable for the staff destined to spend long periods far from home.

Accommodation of this sort must be delivered ready for immediate occupation and be capable of moving onwards with the next development or stage of the project.

Surmounting these considerations is cost. Housing and working accommodation must be predictable in cost on a turn-key basis with low maintenance and no hidden extras.

What choices are open to contracting companies? Knocked-down buildings, mobile modular transportable buildings, or the CI system of fully equipped, fully mobile accommodation.

What are their merits? Compared with knocked-down accommodation, CI mobile units are completely self-contained and ready with all furniture, fittings and accessories. In the case of multiple units—two or three-wide—they need sitting side by side and connecting together. But there are no erection costs. In the generally understood sense, no foundations are needed and even double-wides can be sited on roughly level ground. The absence of erection costs alone shows a real budget advantage compared with systems which may have a lower ex-works price.

Being on their own wheels, CI units are fully mobile and do not need heavy separate transporters and heavy cranes which inevitably accompany rigid transportable buildings. Even the latest of CI's accommodation units can be easily towed and shipped on

mobility. CI can house an entire construction camp or the lone surveyor trekking far from his base for days or weeks on end. Even for the loner in the hostile desert conditions, the level of comfort provided is conducive to the good morale which matters in such conditions.

For individuals and small groups, or any staff moving every few days, a wide range of trailer caravans or motor caravans is available. Air conditioning, central heating, sanitation, hot and cold showers can be provided in suit local operating conditions.

The scope of CI's larger production units in accommodating an industrial township is shown by the impression on these pages of a construction camp established on barren ground.

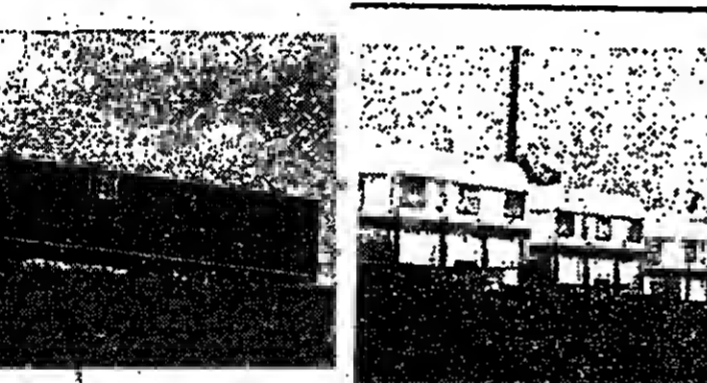
Assuming a site with firm ground, a camp like this could be in existence without pouring a single yard of concrete foundation. This is a double saving if, as frequently happens, the contract calls for total clearance and restitution of the site on completion. Whatever concrete is needed to level double and triple-wides can be delivered with the mobile units in slab form.

these modules can provide for or a store. A central laundry can be housed in a single-width Homak.

The single Guardian shown as one of the executive houses is bigger than a single Homak (length is 13.5m and width 3.2m). Inside there are two bedrooms, bathroom, kitchen and dining room. Furniture arrangements in the lounge are at customers' choice. The twin-unit Guardian comprises an area of 9.4 x 6.4m. The standard floor plan gives two double bedrooms, the usual services and a large L-shaped lounge with traditional British bay windows.



Four of the dozen Homak interior modules. L-r: twin bedroom, shower and w/c, kitchen, office. Below: Homak on the move.



Basis of the construction camp illustrated is Homak industrial units, and Guardian residential. A range of Homak-based residential units in single, double and triple width is also available.

A Homak measures 10m by 2.5m and has a flat floor over its whole area. The layout is based on a series of twelve modules—to fact 11 different modules with internal dimensions of 2.37 x 2.43m, and one double module of 2.37 x 4.90m. Any combination of these modules can be ordered to make up a 10m length.

Floor plans of the single and double units designed to stand on legs in a primarily static role. What does CI offer to achieve this? With eighteen factories in eight countries devoted exclusively to producing accommodation and accessories for

finished examinations of modules in a Homak can range from quarters for two senior personnel with separate bedrooms, shared bathroom and a living room, up to four twin bedrooms in one unit.

Residents' services are provided by Homaks in single units, twos and triples. A staff rest-room and recreation hall, for instance, is based on three Homaks giving a space of 74 sq. metres with no internal partitions and a pitched roof giving a minimum ceiling height of 2.24m. Two units providing 49 sq. metres, can be arranged as a dining hall



Quantity production spells economy.

or a store. A central laundry can be housed in a single-width Homak.

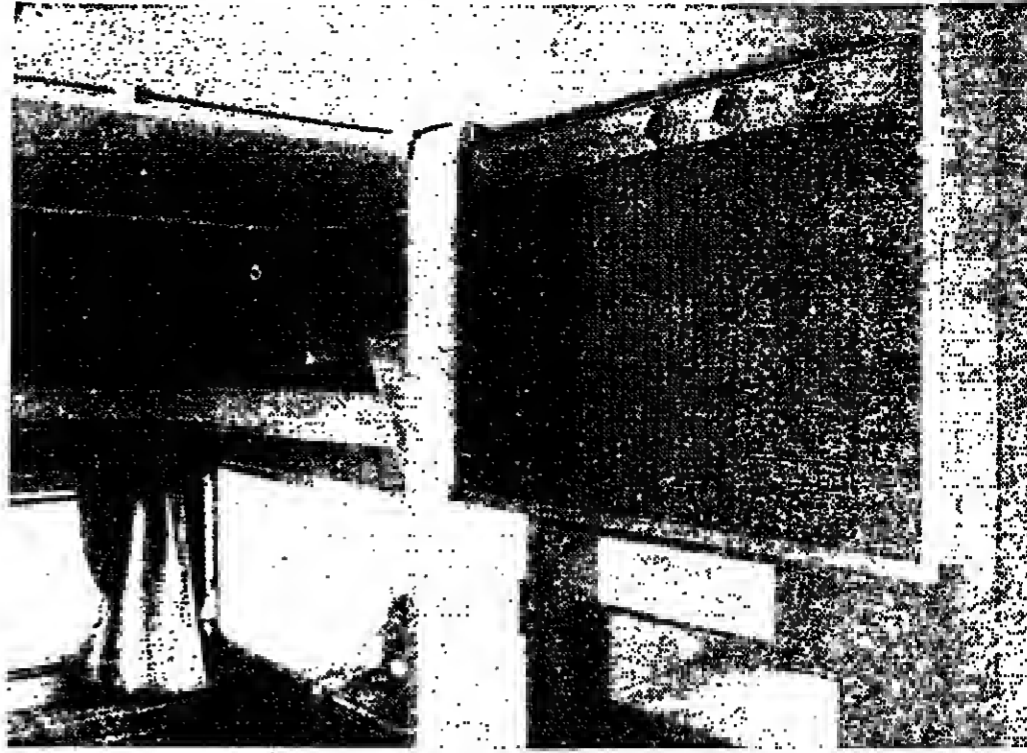
The single Guardian shown as one of the executive houses is bigger than a single Homak (length is 13.5m and width 3.2m). Inside there are two bedrooms, bathroom, kitchen and dining room. Furniture arrangements in the lounge are at customers' choice. The twin-unit Guardian comprises an area of 9.4 x 6.4m. The standard floor plan gives two double bedrooms, the usual services and a large L-shaped lounge with traditional British bay windows.



Train delivery for Wiik construction camp units.

A construction camp of a different kind is housed in Wiik 775 caravan shells. CI's German company supplied 33 of the specially-fitted twin-axle caravans in 1976 to a Greek construction company for projects in Saudi Arabia. Proof of their success was a follow-up order for ten more Wiiks in 1977.

The Wiik is arranged as living and working accommodation for about fifty people. Eight of the caravans provide draughtsmen's and administra-



Above: Air conditioner operates out of the way over wardrobe: lifts down to floor for travelling.

Custom-built for Climate

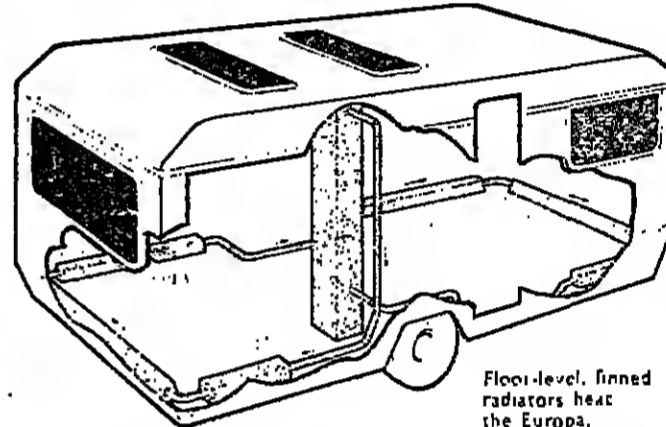
HOW DO YOU BUILD mobile structures that may well end up in the Antarctic or the Equator? The first requirement is to ensure that the outside temperature remains outside. Insulation is of vital importance in every climate, and CI have pioneered a method of insulating caravans that still remains ahead of any rival techniques used in Britain. The aluminium outer skin and plywood inner panels are assembled on a timber frame, holes are drilled in the frame and the complete unit is then placed in a heated press. Special high-density polyurethane foam is injected into the cavity and with controlled curing it then becomes a complete rigid panel bonded strongly to both skins. This process not only makes the panels stronger and more rigid, it means that the body insulation is nearly twice as efficient as 1 1/2 inch cavity brickwork. Floors too, receive the same treatment and all windows are double glazed.

Cooling. Air-conditioning a large, occasionally-moved unit like a mobile home is no problem. But for the lighter, high-speed touring caravans used in field work, a special approach is needed. The 8000 BTU unit used is fitted that it neither upsets the towing stability of the caravan nor gets in the way in site, no

valuable window space is occupied to operate the conditioner. The generating sets which supply power when mains current is not available have been specially made to CI specification. Instead of being mounted on the caravan draw-bar—where the motor noise would disturb the occupants—the SKVA 10 hp petrol generator is used as a comfortable distance, with 50 feet of concealed cable supplied. For travelling, the generator is stowed inside the caravan and the set has been designed for easy carrying by two men through the smallest caravan door.

For large static units like the

CI Bluebirds, two air-conditioners are fitted, totalling 20,000 BTU. Central heating in a caravan seems almost incredible, but CI fit a fluid-filled radiator system to their first-class Europa 530 on the U.K. market. For export, all European have radiator central heating. Heated by a gas-burner and thermostatically controlled, it provides a circuit of radiators that ring the whole interior of the caravan. Even the wardrobe is heated. Made originally for the Scandinavian market, the Europa 530 is getting a very warm welcome in every cold country in the world.



Floor-level, finned radiators heat the Europa.

CI will finance one caravan or a whole construction camp

Christian Avenard, of Floistere, Brittany, noticed four years ago how popular static caravan holidays were with holiday-makers in Britain. He conceived the idea that they might be equally popular in France. To prove the point, he set up a company, Eurovac SA, which, with the aid of medium-term finance from CI, bought an initial fleet of 30 Bluebird holiday homes.

M. Avenard's wife, the Eurovac fleet has been growing and last year some 400 British families went to Brittany to enjoy their holidays in Eurovac Bluebirds. There has also been an ever-increasing flow of French, Belgian and Dutch families taking this form of holiday.

A married couple with three children can now have two weeks self-catering holiday in a Bluebird Quest for an all-holiday home.

Under the management of

to £251 (high season), inclusive of short sea route ferry charges for the family and their car. Bookings for these holidays can be arranged for British residents through Eurovac Limited at Croydon, Surrey.

For industrial applications abroad or rental fleets such as Eurovac's, CI can arrange export finance. Hire fleet operators in the U.K. will find suitably-gearred credit terms available from CI Finance, who also offer the private purchaser credit facilities on competitive terms. CI Finance Limited is jointly owned by Caravans International and Inbank, the Bank of Scotland subsidiary.

CI world-wide

Caravans International is a British-based, multi-national group with eighteen plants in eight of the countries in which they operate. All its activities are concerned with mobile accommodation for leisure and industry. In addition to their traditional export markets CI have so far this year secured new business in Nigeria, Iraq, Iran, Venezuela, Qatar, Oman and Saudi Arabia.

If you are interested in mobile housing for any industrial or leisure project in any part of the world, please contact Patrick H. Bell, Deputy Managing Director (Commercial) of the CI Group at their U.K. headquarters.

GREAT BRITAIN
Caravans International Limited
Emson Close, Saffron Walden
Essex, CB10 1HW
Telephone: Saffron Walden
(07891) 27321

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- 6) Recreation—often supplied projection for leisure and films
- 7) First-aid cabin
- 8) Dining hall
- 9) Kitchen and sink
- 10) CI Europa car
- 11) CI Highway Autohome (Motorised for local survey expeditions)
- 12) A single Homak being towed to site
- 13) Reception and general office
- 14) Executive office
- 15) Single CI Car for a Manager family
- 16) Twin CI Car for an Executive family

CI have some great names behind them



HOME NEWS

Licensing plan for estate agents dropped

BY QUENTIN GUIRDHAM

THE GOVERNMENT'S plans for regulating estate agents were published yesterday by the Department of Prices and Consumer Protection. The idea of licensing agents has been dropped in favour of regulatory powers to be exercised by the Director General of Fair Trading.

The proposed controls cover money held by agents on behalf of clients or potential purchasers. Information about charges given by agents, and declarations by agents of any interest they hold in a property. Under the proposals, estate agents would need some form of qualification or period of relevant experience.

Deposits

The Director General of Fair Trading would be able to seek assurances from any agent who practised discrimination or improper business methods. If these persisted, the agent could be ordered to desist or, subject to appeal, cease practising as an agent.

Financial safeguards include the requirement that agents keep pre-contract deposits in trust accounts. In the course of negotiations, the sums were covered by approved indemnity or other financial arrangements.

Since some agents are not at present covered by such arrangements, introduction of these requirements would be delayed. Powers would also be taken in future to impose a limit on the level of pre-contract deposits.

Information requirements would include declaring, both to vendors and potential purchasers, any interest agents have in a property. They would also be required to give clients, at the outset, written notice of the level and basis of charges, and to improve estate agency standards and professional expertise.

Big companies cut political gifts

BY RICHARD EVANS, LOSBY EDITOR

MARNS and Spencer was the company which made the largest donations in political parties last year, according to the Labour Research Department.

Its gifts totalled £45,000, compared with £23,000 from Guest Keen and Nettlefolds, £25,500 from Trafalgar House, the property group which now controls the Daily Express, £27,750 from Guardian-Royal Exchange Assurance, and £27,250 from Taylor

Woudrow, the civil engineers. Of a total of £1.2m. in donations monitored by the research department 85 per cent. went to the Conservative Party—either directly or through fund-raising industrialists in Sir Keith Joseph Centre for Policy Studies or the Bow Group.

Only £5,250 was given to the Liberal Party. There was no record of any major public company giving money to the Labour Party.



Aircraft displayed at the Business and Light Aviation Show, Cranfield, Berkshire.

Inquiry unlikely to urge big accountancy changes

BY MICHAEL LAFFERTY, CITY STAFF

THE CROSS COMMITTEE OF INQUIRY, set up at the height of the controversy about the accountancy profession's ability to regulate its own affairs, is not likely to recommend major changes in the way in which bodies of accountants are controlled. The committee, under the chairmanship of Lord Cross of Chelsea, a former Law Lord, was set up last year after a series of Department of Trade reports criticised leading accounting firms.

Before the appointment of the eight-man committee, four of whom are accountants, Mr. Edmund Dell, the Trade Secretary, visited in the presidents of the English and Scottish Institutes of Chartered Accountants, and the Association of Certified Accountants to express Government concern about the position. The report is likely to say that there are problems with the limited way in which accountancy bodies can handle cases of unsatisfactory professional work. But it will almost certainly conclude that it would be uneconomic to set up a fully fledged disciplinary tribunal with legal powers to require evidence.

It may well support a number of new initiatives, particularly providing for Takeover Panel-type censure statements in cases where the institutes believe allegations are justified. These are already planned by the professional bodies.

One such statement has recently been issued by the Scottish Institute of Chartered Accountants, where a Touche Ross partner was criticised in connection with the SUITS affair.

Business aviation receives assurance

By Michael Donne, Aerospace Correspondent

AN ASSURANCE was given yesterday that the Customs and Excise Department would do all it could to help the business aviation community.

Mr. M. Woolf, deputy chairman of Customs and Excise, said: "Seeking to provide adequate aerodrome facilities for business aircraft is of vital importance to the business user and indeed the country at large. It was very conscious of the need for his department to do what it could within its resources to match needs both now and in the future."

Mr. Woolf was addressing a seminar on business aviation problems at the opening of a three-day Business and Light Aviation Show at Cranfield Institute of Technology, Bedfordshire.

More than 270 light aircraft are taking part in the show, which is intended as a market place for buyers and sellers

Koreans are to cut their cutlery exports to Britain

BY DAVID FREUD, INDUSTRIAL STAFF

A DELEGATION of Korean cutlery manufacturers has agreed to cut exports of stainless steel ware to Britain after two days of talks with the Cutlery and Silverware Association in Sheffield.

Mr. Brian Viner, deputy chairman of Viners and president of the association, said yesterday: "After 13 hours of intensive discussions we arrived at a better understanding."

As a result, Mr. James Lee, president of the Korean Flatware Exporters' Association and leading member of the five-strong delegation, is returning to his own association "to get its agreement to limit exports to the U.K. in the long-term interests of both industries."

The British association has given no indication of the exact level of the proposed cuts. In present, Korean stainless steel flatware is taking about 37 per cent of the U.K. market in terms of value, almost double the total taken by the home industry.

Mr. Park told the Sheffield Cutlery Association that on his return to Korea he would write to them with the Korean manufacturers' export intentions for next and subsequent years.

The Korean delegation is now in Solingen for similar talks with the West German industry. The talks will be followed by a visit to Brussels where the question of global quotas will be raised with the EEC.

If a formal quota is agreed, in contrast to the more informal arrangements set in motion in Sheffield yesterday, British part of the quota will be allocated through the Department of Trade.

The Department, which has encouraged industry to industry talks on import restraints in other areas, is likely to welcome the Sheffield initiative.

Rise in stocks value shows sharp decline

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE AMOUNT needed by industry to finance the increase in the value of its stocks declined sharply in the second quarter.

Figures in the latest issue of Trade and Industry indicate a rise in the book value of manufacturers' and distributors' stocks of £1,256m. in the second quarter at present prices, compared with a £1,871m. increase in the first three months of the year and a £4,131m. rise for the whole of last year.

The smaller amount required in the second quarter occurred despite a further large increase in the physical level of stocks—£152m. at 1970 prices in addition to the £248m. in the first three months of the year. This reflects a decline in the rate of inflation.

The implication is that with profit margins improving in recent months there may be continued recovery in profits as the stock appreciation. The increase in the book value of stocks may be even smaller in the third quarter since a rise in physical stocks may be lower after the party tarry stockbuilding of the first half of the year while the rate of price inflation will also be lower.

Fixed capital investment in present prices of manufacturing distributive and service industries was £2,421m. in the second quarter, fractionally lower than in the first three months of the year.

For the first half of this year capital investment at present prices was £4,851m., compared with £4,921m. in the same period a year ago.

Fears of television threat to newspapers 'unfounded'

BY MAX WILKINSON

FEARS THAT the rising power of television would threaten traditional newspapers appear to have been unfounded, according to research published yesterday by the Royal Commission on the Press.

The findings suggest, on the contrary, that radio and television news may reinforce newspaper readership among a substantial number of people.

The report, Attitudes to the Press by Social and Community Planning Research, is published as a supplement to the Commission's main report in July.

It is based on a survey of 2,400 people chosen at random, with the aim of finding out the role of the regional and local Press as compared with broadcasting. However, attitudes to the coverage and standards of national newspapers were also investigated.

The report says: "The survey findings do not suggest that television and radio news are seen as alternatives to newspapers. If anything, regular watching of television news is more common among regular newspaper readers than among others."

Nine out of ten people spend an hour or more watching television on an average weekday, according to the survey. Just under half claimed to watch for three hours or more.

Just over one in four of those who read a national morning or provincial evening newspaper said they spend an hour or more reading one issue.

Generally, those interviewed were reasonably satisfied with the standard of their newspapers, although there was some criticism of sensationalism and exaggeration by the popular national morning papers.

"The only majority criticism was that the popular national morning papers exaggerate the sensational aspects of the news."

Between 40 per cent. and 50 per cent. of those answering thought that the intermediate and national morning papers (Daily Express and Daily Mail) also exaggerate the sensational aspects of the news and between 40 and 50 per cent. of those answering thought that the popular national morning papers exaggerated sensational aspects of the news and invaded private grief too much.

The level of criticism of regional morning papers was about the same as that of the Daily Telegraph.

All the national morning papers were favourably rated for the in depth of news coverage.

Authorities answer 'reactors an economic failure' claim

BY IAN BREACH IN WHITEHAVEN

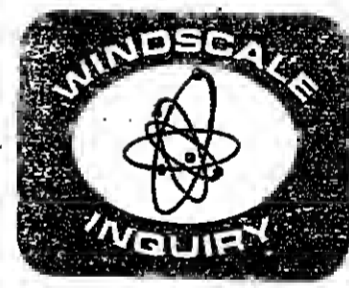
ACCUSATIONS that the proposed expansion at Windscale would be "an economic failure" were contradicted yesterday in a set of costings produced jointly by British Nuclear Fuels and a Central Electricity Generating Board.

The environmental group, Friends of the Earth, has consistently claimed that reprocessing of spent fuels from thermal reactors is unlikely to prove financially beneficial, and that it would be technically and economically preferable to store unprocessed wastes.

Dr. Donald Avery, deputy managing director of British Nuclear Fuels, was recalled to give a detailed cost analysis of three methods of dealing with reactor wastes: reprocessing in the plant which the company has applied for planning permission to build; reprocessing in a smaller plant; and not reprocessing.

These figures indicate that in the first instance the ex-works price per tonne of reprocessed fuel would be £260,000. For a smaller plant the fuel recovered would cost £315,000. With no reprocessing, says the company, over a 50-year storage period the cost would be £875,000 a tonne if the fuel were encapsulated in glass.

Mr. Raymond Kidwell, QC, for Friends of the Earth, said that it was "totally unfair" for the company to produce certain of its figures at a few minutes' notice. He objected in particular to an estimate as high as £120,000 a tonne for costs of unprocessed fuel storage in water-cooled ponds.



Mr. Justice Parker, the inquiry chairman, ruled that additional background costings must be produced by the company no later than next Tuesday morning.

Disagreement persists at a fundamental level between Friends of the Earth and the company on their respective economic appraisals of the reprocessing plant. This has become a central issue at the inquiry and is the main plank in the Friends' case.

British Nuclear Fuels has based its analysis, in part, on assumed future uranium prices as high as \$100 a lb. while Friends of the Earth witness earlier in the inquiry postulated prices as low as \$10, and Mr. Turenne Price, director of the Uranium Institute, agreed last week to a figure around \$30-\$40 a lb.

The ex-works price from Windscale of £290,000 a tonne of reprocessed fuel is £20,000 more than that previously quoted by British Nuclear Fuels and the CEGB. The effect is to make reprocessing more attractive by a figure of £60m., if one allows for the contract pending, from the new Tube station then dealing with reactor wastes over the next 25 years.

Dr. Avery said in his evidence that storage of unprocessed fuel would have to be followed by "final disposal" of the waste for "final disposal", adding further £450,000 a tonne, to reach £775,000.

Friends of the Earth comb this strongly, saying that the company has no reason to assume that "glassification" is necessary. Certainly this question is still open to debate at the inquiry as it materially affects the probability of new fuel-reprocessing plant.

If the Friends' contention were borne out and figures accounted to 1990, the return, estimated to be £120m., could be whittled down to less than £20m. This, in turn, would be effectively wiped out if Britain then had a balance-of-payments surplus and foreign currencies were devalued.

British Shoe coffee shop

BRITISH Shoe Corporation is starting a new customer service by opening a £160,000 coffee house in the 12,000 sq. ft. Lilley and Gitaner site in Oxford Street, London. Mr. Alan Costa, chairman of Empire Catering, owner of the Richard restaurant chain, will run it.

The modernisation of the building is scheduled as a building of architectural importance, but which has been timed to meet the increased traffic expected in Oxford Street from the new Tube station then

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A FINANCIAL TIMES SURVEY

AUDIO-VISUAL EQUIPMENT

SEPTEMBER 16 1977

The Financial Times is planning to publish a survey on Audio-Visual Equipment. The main headings of the provisional editorial synopsis are set out below.

AUDIO-VISUAL SYSTEMS Examination of the strengths and weaknesses of the various audio-visual media: their effectiveness, practicality and economy.

CHANGING TECHNOLOGIES Video equipment is now becoming smaller and cheaper, with improved performance: the technical developments that have brought these changes: causes and effects as they matter to the user.

JAPAN Photographic, cine and video equipment now a major industry in Japan: challenge to the West: economic trends in Japanese audio-visual: new ideas that may soon emerge from Japan.

SLIDE AND FILM STRIP REVIVAL Film strip and slide projectors transformed in last ten years as new uses have rapidly spread: changes in design and performance with special reference to developments in multi-vision and multi-screen.

CHOICE OF EQUIPMENT Choice of the right audio-visual equipment: how to arrive at a specification: where to buy equipment, obtain service and how to use it efficiently.

THE CONFLICT New video developments have challenged the survival of film: strengths, weaknesses and future developments.

ECONOMIC REVOLUTION IN PHOTOGRAPHY Post-war German domination in photographic equipment: rise and redistribution of the photographic economy: changing patterns of marketing in terms of national and consumer trends.

AUDIO-VISUAL SYSTEMS IN THE OFFICE More devices are now appearing in the large office: from computer output on to microfilm to facsimile transmission equipment.

PRIORITIES AND PROBLEMS The current period is dominated by rapid developments, changes and upheavals, all influencing investment decisions and development programmes: analysis of the issues and likely future trends.

The proposed publication date is September 16 1977. For further details of the editorial synopsis and advertising rates contact:

Suzanne Ralph, Financial Times, Bracken House,
10 Cannon Street, London EC4P 4BY.
Tel: 01-248 8000 Ext. 201. Telex: 885033 FINTIM G.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

PERSONAL

TENT FOR SALE

Made in 1975 for the Royal inauguration of BP's Forties Field, and is at present providing accommodation for over 30 different stands at the Hyde Park Silver Jubilee Exhibition.

The area of the tent is approximately 1/2 of an acre which means it can easily accommodate 1,000 people seated plus all the necessary facilities.

PRICE SUBJECT TO NEGOTIATION

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The Services and Administration Manager,
Public Affairs and Information Department,
BP Trading Limited,
Britannic House, Moor Lane,
London EC2Y 9BU.

0111 2011

HOME NEWS

European standards key to more trade

BY DAVID FISLOCK AND PETER CARTWRIGHT

A P.E.R.A. for steady acceptance of European standards... The British Association of Road Transporters... The Department of Transport... The National Road Transporters' Association... The British Association of Road Transporters... The Department of Transport... The National Road Transporters' Association...

British Association Meeting

had still to produce the results... The British Association of Road Transporters... The Department of Transport... The National Road Transporters' Association...

Higher status call for supervisors

THE plight of the supervisors... The Department of Transport... The National Road Transporters' Association... The British Association of Road Transporters... The Department of Transport... The National Road Transporters' Association...

Footwear industry threatened

Dr. Anwar and his BRE TROUBLED footwear industry... The British Footwear Manufacturers' Association... The Department of Trade and Industry... The British Footwear Manufacturers' Association... The Department of Trade and Industry...

Gas change nears completion

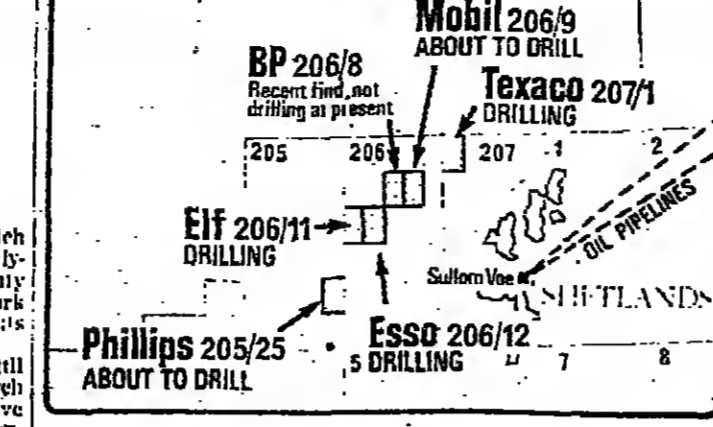
E. I. du Pont's gas conversion programme... The Department of Energy... The British Gas Corporation... The Department of Energy... The British Gas Corporation...

Flying start for new vehicles

NEW RANGE of four-wheeled vehicles... The Department of Transport... The British Vehicle Manufacturers' Association... The Department of Transport... The British Vehicle Manufacturers' Association...



West Shetland Drilling Activity



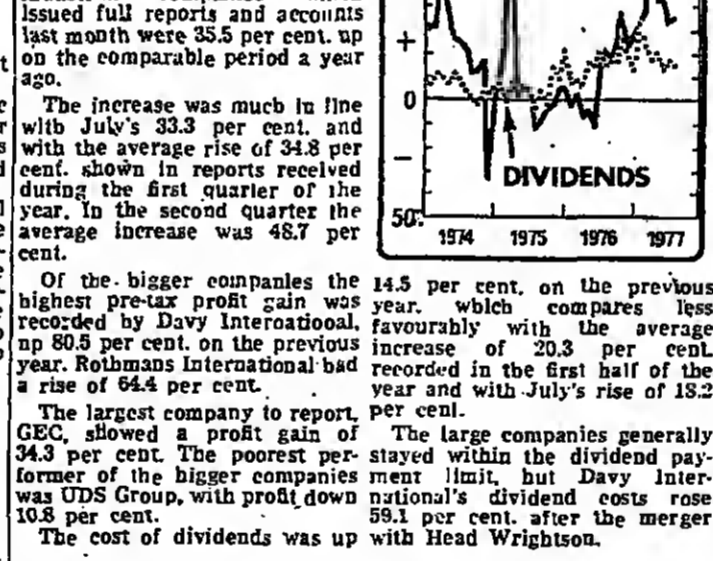
Setback in search for more oil west of Shetland

BY RAY DAFTER, ENERGY CORRESPONDENT

THE OIL industry's hope of finding more reserves west of Shetland has received a setback... The Department of Energy... The British Petroleum Company... The Department of Energy... The British Petroleum Company...

Pre-tax profits continue rising trend

PRE-TAX profits of the 107 industrial companies which issued full reports and accounts last month were 35.5 per cent up on the comparable period a year ago.



Spillers confirms closure of a Homepride bakery

SPILLERS confirmed yesterday that it would close its Homepride bakery, Coast Road, Newcastle Upon Tyne, making 230 workers redundant.

Guest speaker

PROFESSOR Ralf Dahrendorf, director of the London School of Economics, will visit Australia this month as a guest of the Committee for the Economic Development of Australia.

BANK RETURNS

Bank	Aug 31 1977	Dec 31 1976
Banking Department		
LIABILITIES		
Capital	14,958,000	1,709,753
Special Deposits	1,091,626,000	1,155,242,000
Deposits	432,112,450	146,120,263
Reserves & Other	548,328,091	29,815,825
Assets		
Investments	481,174,175	108,285,000
Loans	613,728,169	58,539,071
Other	100,000,218	11,816,212
Total	2,163,502,943	1,925,682,148

LABOUR NEWS

Production at Cowley will stop to-night

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

PRODUCTION at Leyland Car's Cowley plant will stop to-night as a result of the nine-week strike by Lucas toolworkers... The Lucas dispute which poses the major threat to Leyland's motor industry... The Lucas dispute which poses the major threat to Leyland's motor industry...

Strike vote by 9,000

THE 9,000 SHOPFLOOR workers at British Leyland's bus and truck complex at Chorley and Leyland, Lancs., voted yesterday for a strike from to-day week... The Lucas dispute which poses the major threat to Leyland's motor industry...

Swan Hunter outfitters to discuss parity claim

BY OUR SHIPPING CORRESPONDENT

SEVENTEEN hundred men employed in the outfitting trades by the Swan Hunter, Tyneside, voted yesterday to seek a meeting with executives of British Shipbuilders to discuss their long-standing claim for pay parity with other makers... The Swan Hunter consortium has jumped ahead by more than £7 a week over other craft trades in the past few years...

Bread shortage caused by South Wales strike

SOUTH WALES was hit by a bread shortage yesterday as a result of the independent bakers' strike which started at 11.30 p.m. on Tuesday night... The Cardiff bakery on Tuesday night has halted most supplies of sliced bread in South Wales...

Warning on oil policy

OIL REFINERY workers could launch a policy of non-co-operation if oil companies do not stick to the Government's policy of 66 per cent. North Sea production being refined in Britain... Anthony Wedgwood Benn, Energy Secretary, union leaders pledged a joint approach by all unions involved—ASTMS, Transport and General Workers, electricians and engineers—to develop manpower and investment planning agreements with oil companies over refining policy.

Group changes at Seagram Distillers

Mr. S. D. Kershaw has been appointed managing director of Seagram United Kingdom... CHLORIDE GROUP has a non-appointed executive director, Sir Fred Warner, who has been appointed to the Board of MERRILL LYNCH INTERNATIONAL... RENWICK GROUP, Mr. G. D. Burnett, Mr. M. Franks and Mr. S. Hinchliff have been appointed directors... Mr. Raymond C. Hurd has been appointed financial director of SEAGRAM AND JACKSON INDUSTRIAL... Mr. J. E. G. House has been appointed chairman of the Council on Small Industries in Rural Areas and serves on the Development Commission... Mr. Bull is managing director of A. T. Austin... Mr. Alastair M. Robertson, previously deputy general manager of SCOTTISH EQUITY LIFE ASSURANCE SOCIETY, has been appointed treasurer of the Society and will continue as secretary... Mr. Robertson was appointed a director in March... Mr. Timothy Channon is to join the Board of BEAUFORT AIR-SEA EQUIPMENT, an Allied Polymer Group subsidiary, as commercial director from October 3. He has been with another APG company, Vaco-Riast, for 15 years, later as commercial director.

Decision on miners' ballot soon

By David Churchill, Labour Staff

A DECISION on whether Britain's 261,000 miners should take part in a ballot on a productivity bonus scheme, surprisingly rejected by the National Union of Mineworkers' annual conference in July, will be taken later this month... The NUM executive decided yesterday to refer calls for a ballot on the issue, which came in letters from three moderate unions after the meeting of the union side of the industry's joint negotiating council on September 19... The National Coal Board's proposals for the scheme will also be considered by that meeting... The scheme could mean that some miners would get up to £20 per week, based on productivity at each pit... Left-wingers in the union were opposed to the scheme, preferring national pay rises instead of pit-based deals, but the decision to refer to a meeting of the joint negotiating council can be seen as a partial victory for the moderates in the union... After the executive meeting, Mr. Joe Gormley, NUM president, was critical of the ballot proposal when he stated that if one was held, it would set a precedent for more conference decisions to be challenged in this way... Criticisms of Mr. Gormley's acceptance of a part-time directorship with a private company were also raised at yesterday's executive meeting... But Mr. Gormley was adamant that accepting the post was not in any way detrimental to miners' interests... "The matter is closed as far as I am concerned," he said... Mr. Gormley also attacked reports that miners who had accepted early retirement had been offered jobs. He said that these jobs should not have been offered to retired miners but given immediately to the unemployed.

Drax B jobs plea made to Callaghan

By Ray Perman, Scottish Correspondent

THE Prime Minister interrupted the programme last night during his Scottish visit to meet a joint manufacturing-union delegation from the Babcock and Wilcox factory at Renfrew, where there is a serious danger of large-scale redundancies... Mr. Callaghan was asked by the delegation to put pressure on the Central Electricity Generating Board to bring forward contracts for the Drax B power station... It has been told that 3,700 jobs could be at risk at Renfrew if new orders were not received at the works by November. It has already seen a rundown of the work force from a peak of 5,000 earlier this year... Mr. Callaghan met the delegation in a room at Renfrew West and led a campaign to persuade the Government to order the Drax B station against the Generating Board's wishes, said that the longer orders were delayed, the greater the risk that the heavy electrical manufacturing industry would collapse... The major share of the contract will go to Reyrolle Parsons, of Newcastle, but the £150m. contract for steam-boilers would give Babcock's five years work... Mr. Callaghan met the delegation immediately before his speech to a public rally in Glasgow. He spent most of yesterday touring Falkirk, constituency of the Scottish Office Minister, Mr. Harry Stewart, which is highly marginal... Mr. Callaghan also opened a new hospital, at Monklands, Glasgow.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

AVIATION

Simplifies navigation

THE RECENTLY-DEVELOPED Narco radio navigational aid package known as Centerline, aimed essentially at business/private flying is to be marketed in the U.K. by Van Dusen Aircraft Supplies.

Items include a 720 channel VHF communications set, a combined VOR, ILS localiser and glidepath receiver/indicator, and a number of separate equipments for these functions.

Most interesting item is the combined navigational set, NAV-122. When tuned to a VOR beacon it will display steering commands on its own indicator or other appropriate connected displays.

But when tuned for instrument landing (ILS) approach, a road-hand multiplexed receiver sequentially accepts signals from the two parts of the ILS ground array (azimuth and glide slope), spending half its time on each. Thus, no separate glide slope receiver is needed and there are benefits in simplicity, reliability and economy.

According to Narco, the development makes it possible to equip an aircraft with two completely independent ILS systems at less cost than competing single-receiver units. More ground receiver units, located at Bicester OX6 7RB (08692 43381).

COMMUNICATIONS

Viewdata gathering

THOSE IN commerce and industry likely to benefit from the Post Office's Viewdata system, in which a central data base is interrogated over the telephone and information displayed on an associated screen (probably a domestic TV receiver), will be interested in a forthcoming public conference on the subject.

To be held at the May Fair Hotel in London on September 29, the meeting will be addressed by experts from the Post Office, 74, Shoe Lane, London existing experimental users, EC4A 3JB (01-353 1138).

equipment makers, and a journalist. The organisers, Butler Cox and Partners, claim that this will be the first "fully authoritative" public debate on the status and future for Viewdata. The day will include equipment demonstrations. Conference fee is £36.40 per delegate including VAT and further details can be obtained from the company on the 11th Floor, The Press Centre, by experts from the Post Office, 74, Shoe Lane, London existing experimental users, EC4A 3JB (01-353 1138).

Voice makes a signal

NOW AVAILABLE in the U.K. is a communications system originally developed for the U.S. Navy, by David Clark Co., of Worcester, Mass.

It requires no power supply (battery or mains) and is operated entirely by the power of the human voice. Main applications are in high noise environments and clear communication can be maintained even in ambient noise up to 130 dB, and over distances up to 30 miles. It is assured.

Marketing in the U.K. is by Van Dusen Aircraft Supplies, (battery or mains) and is operated entirely by the power of the human voice. Main applications are in high noise environments and clear communication can be maintained even in ambient noise up to 130 dB, and over distances up to 30 miles. It is assured.

WOODWORKING

Comb joints cut quickly

USEFUL IN jobbing shops where numbers of comb joints to be produced generally come in short runs is a jig for use with a circular saw which has been shown to produce excellent joints in a number of hard materials, apart from the usual timber, hardwood and chipboard.

The jig is a robust aluminium casting for use on a circular saw table which has a machined groove running parallel to the plane of the saw blade. Where the table has no such groove, guides could be attached. Techniques have been developed to allow the four sides of a box to be cut simultaneously, so that accurate fitting is guaranteed. Different sized indexing pins can be changed very quickly to alter the size of comb joint produced.

Further from D.L. Sadler, Production Machinery Group, NRDC, Kingsgate House, 66 Victoria Street, London SW1 6SL. 01-828 3400.



DATA PROCESSING

Display fits neatly on a desk

DESIGNED FOR use where no central dust exhaust system exists, a portable dust extractor has been developed which subject to work load, can be connected to two machines, such as grinders.

Dust laden air drawn through the two inlets undergoes a sudden change of direction which separates the heavy and light dust. The heavy particles are deposited directly into a dust drawer, while air containing fine dust passes through a non-flammable woven glass fibre filter bag, with a filter area of 140 square inches.

Dust is dislodged from the filter bag to the dust drawer by a shaker lever. The unit measures 23 x 16 1/2 x 8 inches, and is rated 700 W. It is available for single or three phase supply.

More from the maker, Denford Machine Tools, Birks Road, Brighouse, Yorks, (0434 712264).

RESEARCH

Big chamber available

A £1m. anechoic radio-frequency test chamber, installed by Pleassey at the Hawker Siddeley Dynamics plant in Stevenage, is to be made available as a service to organisations needing to carry out tests up to 15 GHz.

The chamber, which contains some 14 tons of profiled pyramidal microwave absorber materials, measures 15.3 x 7.3 metres and is one of the largest "rf-quiet" zones available anywhere. It was recently completed for testing of European Space Agency's orbital test satellite (OTS) due to be launched this month from Cape Kennedy on a three-stage Delta vehicle. It is also being used to test the MAROTS marine communications satellite and for a variety of rf measurement work on radar, missiles and their associated aerial systems.

Reflection-free measurements can be performed between 100 MHz and 15 GHz and electromagnetic compatibility and interference checks between 15 kHz and 15 GMz. The chamber is equipped with a hydraulically operated table and ceiling hoist to provide accurate positioning of equipment weighing up to 2,000 kg. More on Stevenage 3456.

HANDLING

Industrial weighing

LATEST IN the range of scales reducing the capacity of the made by Oertling (an Avery Group company) is a unit for catchweight weighing on the factory floor. It will weigh up to 2 kg, with 1 gramme divisions and a readability of 0.1 gramme.

The weight is shown on an angled display, using a back projector to magnify the scale movement. The unit is fitted with magnetic damping for quick weighings.

An optional tare of up to 550 grammes can be added without affecting the truck engine. The chassis is fitted with four stabilising hydraulic jacks. Interlocks ensure that the platform cannot be raised until the jacks are in position on the ground, and the lorry cannot be moved while the platform is raised.

Controls include an engine stop from the platform—useful to conserve fuel and prevent fume accumulation in confined spaces. Guardsrails on the long sides of the platform can be folded down to facilitate loading. The maker is at Springfield, Newport, Salop. TF10 7RU. Hydraulic power is provided by (0522 511779).

MAINTENANCE

Cleaning is quiet

ELIMINATING THE need for a portable vacuum cleaner, a ducted vacuum system for industrial and domestic installations has been launched by Crayhurst in conjunction with Bartol Plastics (a division of Hepworth Ceramic Holdings).

Neovec gets its suction power from an 800W, 17,000 rpm electric motor, mounted on a 6-gallon waste container. The ducting is of 1 1/2 inch diameter polypropylene tube, with push-fit connectors.

In use, a hose is inserted into an inlet point on the duct. This action bridges contacts at the inlet and starts the suction motor. The motor and collection unit can be remotely sited, reducing system noise to a slight hiss.

Details from the maker at Barton, nr. Bidford on Avon, Warwick, B50 4NP (078988 2362).

MATERIALS

Belting repairs

A POLYMERIC elastomer for the repair and resurfacing of natural and synthetic rubber materials, particularly heavy duty conveyor belts, has been introduced by Belzona Molecular Coatings, Harrogate, Yorks. (0423 87841).

Available in five grades, the material is described as an interwoven network of polymer coiled molecular chains in a solid or liquid form, plus a solidifying curing is a matter of minutes with no shrinkage, expansion or distortion. The cured material is unaffected by a wide range of chemicals, and will bond to almost all elastomers, metal, concrete and wood.

Other properties are those of natural or synthetic rubber: elasticity, tear resistance, tensile strength, and abrasion resistance. It can be applied as a paste or a liquid, and can be cast or moulded without heat or pressure.

Conveyor belts can be repaired in situ, with a minimum of downtime.

MATERIALS

Water-borne coatings

NOW AVAILABLE is a water-borne primer which can be used to provide a protective coating on a fabrication and assembly by welding.

Developed by the Dundee Macpherson Group, it is claimed that the primer does not produce a smoky or "fume" organic solvent-based primer when welding takes place. It does it burn back from the joint reducing the need for repair. As the primer is conductive there are no problems with electric contact when arc welding.

Applied by dip or spray, the primer is complemented by water-borne glass finish available in a variety of colours.

Details from the maker, Three Quays, Tower Hill, London EC3R 9EL. (01-628 1700).

FARMING

Improved tractor

A MARK II version of the MF595 agricultural tractor has been launched by Massey Ferguson, Banner Lane, Coventry (0203 465211).

The gearbox has been redesigned to incorporate a constant mesh gears which cannot be damaged by "crashing" and engagement. Capacity of auxiliary hydraulic pump has been increased by 20 per cent to 7.9 gal./min., and a new flow filter removes particles down to 15 microns from the hydraulic oil.

A new fuel pump is fitted to the engine to allow more accurate setting of full throttle of the maximum 88 b.p.h.

INSTRUMENTS

Easy check on noise

PUT ON to the market by Thorn Automation is an easily used pocket instrument (100 x 50 x 25 mm, 160 gms.) suitable for measuring noise levels in industrial environments. It was developed by the Dutch Research Institute for Applied and Scientific Research and is made by the Thorn plant in Holland.

Developed for "on the spot" use when shop-floor noise problems arise, the unit should, states Thorn, help to avoid industrial disputes concerning noise. No training is needed for its use.

Noise levels are given in dB(A) and the indicator's battery lasts for about 2,000 measurements. A sliding control with a graduated scale is fitted on the side of the unit and lamps on the face show in which direction the slide must be moved in order to determine the noise level. More from the company at P.O. Box 4, Rugeley, Staffs WS15 1DR (Rugeley 5151).

COMPONENTS

Stops taps breaking

SLIPPING CLUTCH shaft chucks for use on automatic manual machines have been developed by B. O. Moffat Britton Road, Coventry (CV4 4EJ) (0203 455014), using a half drive mechanism.

Although designed for use on automatic machines they are compatible with other machines, and are available for fixed or adjustable tap projection. Torque ratings are available for fixed or adjustable tap projection. Torque ratings are available for fixed or adjustable tap projection.

August 1977 This announcement appears as a matter of record only.

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John, in photo

The Management Page

Barry Riley describes one company's plan to reconcile the needs of managers and family shareholders

Keeping cider's sparkle under control

AS FAR as the stock market is concerned, what caught the eye about H. P. Bulmer's current capital reconstruction proposals was the scope they offered for a more than doubled dividend payout. Yet the plans of much more general interest in other directions.

For they shed light on the central problems of a medium-sized growth business which has international ambitions, yet which needs to reconcile the priorities of family shareholders with those of professional managers.

Despite far-reaching changes in the group over the past decade or so, the family is still firmly in control of the company which holds a dominant 55 per cent. share of the cider market as well as being the only U.K. manufacturer of a product of such importance as a constituent of jam and confectionery.

The Bulmer family stake is 62.2 per cent., only a little more than the 65 per cent. which the company was floated on the stock market in 1970.

The Scheme of Arrangements before Bulmer's shareholders will have three main effects. First, it will establish a holding company — H. P. Bulmer Holdings — which will acquire all the existing Bulmer assets and capital. This is where the dividend boost comes in, for under current legislation a two-tier freedom of controls is introduced to new companies.

Secondly, an extra element of organic solvent capital is injected into the group's structure, with shareholders receiving one preference share for every eight ordinary shares. The changeover from Bulmer Holdings is complete by the end of the year.

The third development is the setting-up of a profit-sharing arrangement for all employees. A sum calculated on a value added formula — which cannot exceed 10 per cent. of the pre-tax profits each year to buy shares in the market. These will be held by the trustees for five years before they are transferred to the employees.

The switch to a holding company structure is reminiscent of the move, on a much larger scale, by BAT Industries last year when it merged into Tobacco Securities Trust. According to Bulmer's chairman Peter Prior, the change is vital for ensuring that the group's organisation does not become unwieldy as the business gets larger.

The concept is that the Holdings Board will be able to concentrate on group matters, such as overall policy and financial control, and not get bogged down with detailed trading problems. At the same time, executive responsibilities can be clearly defined for each division, and department, and delegated to individual managers all the way down the line.

responsibility of the Bulmer executives to the family is unusually direct.

To put it at its simplest, Bulmer's future as an independent concern depends on the family being kept involved and financially contented.

Commercial success — of which Bulmer has had more than its share in recent years — forms part of the answer. Since the company went public annual sales have climbed from just over £8m. to £33m., and pre-tax profits (despite a sticky period in 1973 and 1974) have improved from around £0.5m. to £3.9m. Last year's profits increased by 50 per cent.

Bulmer's volume of elder production in the U.K. rose by 22 per cent. in 1973-76 and by another 13 per cent. last year. These gains were, however, exaggerated by exceptional summer weather in both years (volume was 28 per cent. ahead



during the summer of 1976) and the buoyancy encouraged the Government to impose an excise duty which became effective last September.

With cider prices up by something approaching 50 per cent. over the past year, growth has abruptly halted. The managing director, Brian Nelson, admits that the impact has been more dramatic than he first envisaged (though the apple more dramatic than he first envisaged).

Until now many Americans have considered cider to be a soft drink. But Bulmer's 5 per cent. expansion will help to change their ideas, this makes Bulmer potentially vulnerable to a takeover bid. Capitalised at under £20m., it offers a commanding share of one of the few real growth sectors of the U.K. market.

The takeover danger may increase if Bulmer's attempts to open up overseas markets prove successful. The Australian cider venture has proved a consistent success (though the apple juice operation in Tasmania is thought to be unprofitable) but the group has started to distribute cider in Northern Germany, and more significantly it is testing the U.S. market.

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hired for a campaign of TV commercials which began in mid-July in three test markets on the U.S. East Coast. Perhaps fortunately, U.K. West Country cider purists will not be able to sample so-called London Dry draught cider. It does not come from London, and is apparently quite sweet, and is sold in small bottles.

The takeover threat gives the Bulmer management a vested interest in keeping the share price high. At one time in 1974 the shares were worth hardly more than 20p, but they have been very firm in recent months (more than doubling since last December) and currently stand at around 170p. Dividend promises have obviously played a part here.

Not only the new holding company, but also the other two schemes proposals, are highly relevant to the family connection. As the formal document puts it, the distribution of preference shares will enable shareholders "to realise some capital without affecting their present equity in the Bulmer Group."

The device has been used elsewhere — at Desoutter Brothers, for instance — where controlling families wish to raise some cash without eroding their stake. In this case, the Bulmer family shareholders will be able to sell preference shares for something not far short of £800,000 each. That ought to remove any short term pressure to dispose of equity holdings.

The profit sharing plan appears to have been devised with similar considerations in mind. Funds will be made available out of the company's profits each year to buy around 1 per cent. of the outstanding equity on the market, for a limited season after the posting of the accounts.

After five years, shares will start being transferred to employees. From then on, the holdings controlled by the plan's trustees will stabilise at roughly 5 per cent. of the total equity. The scheme could operate partly in narrow public market and support the price, and partly to provide an "in-house" buyer for family shares, given that a process of gradual disposal and wider diffusion is bound to take place over the years. Peter Prior makes it plain that one of the objectives of the profit-sharing plan is the maintenance of the group's independence.

Looking further ahead, the determination to follow the independent family-controlled route brings with it certain disadvantages for Bulmer. Since the management cannot turn to the shareholders for new capital through a rights issue, a cautious financing policy is required.

In the event, cash flow generated by the U.K. cider business has risen sharply over the past two years, leading to a reduction of over £4m. in short term debt and opening the way to the current overseas expansion moves.

This prosperity incidentally seems to have allowed a stay of execution for the Australian cider project. "Some shareholders may well think it is high time for us to abandon the whole operation," remarked Peter Prior in the recent annual report. Prudent measures to pull this business round include the secondment of senior technical personnel.

If Bulmer can surmount the financial and managerial problems of a transition to international status and still remain a family company it will be a considerable achievement. But there is no doubt of the determination to retain its individuality, which dates back to the year 1857 when the original H. P. Bulmer first pressed apples grown in his father's rectory orchard.

One of Bulmer's formal listed corporate objectives is "to remain an independent public company." In this year's annual report this was amplified by some words in italics: *with a distinctive management style.*

A less gloomy view of the energy crisis

BY RAY DAFTER

Even this is a longer stay of execution than many would have believed. The gloomier forecasts point out that it is unlikely that our thirst for oil will remain constant. It will increase as it has done in the past ten years since 1960, ten-fold since 1955 and nearly double since 1965.

No one would disagree with Meyer and Hocott when they say that it is time to direct attention to possible new sources of nature-made petroleum and gas, and to improvements in recovery. This is where this book sheds a more promising light than many of its recent predecessors.

It shows how new methods of recovery — such as the injection of chemicals into oilfields — can exploit a higher proportion of oil and gas reserves than hitherto. It also points to the prospects of developing other forms of these hydrocarbons, such as oil shale, tar sands, and even methane gas found in coal seams.

It is evident that the conclusion of the nature-made petroleum and gas energy economy lies at most a half-century away, "write our summarisers. "At the same time it is evident that nature-made petroleum resources are large — sufficient to permit the world a smooth transition to alternative energy sources."

The book points out that the U.S. (as in many other oil-producing areas such as the North Sea) conventional recovery techniques can extract only 30 to 35 per cent. of the oil in commercial fields. Enhanced recovery technology now in an advanced research stage offered the chance of obtaining at least 40 to 45 per cent. of the oil-in-place in American fields. One day it might be possible to pump out as much as 60 per cent.

By increasing the percentage recovery of estimated world crude reserves by just 10 per cent. it would be possible to put a further 175bn. barrels into the energy bank. Reserves for future discoverable fields would be similarly increased.

The authors point out that a significant hindrance to the rapid exploration and development of additional reserves was the non-technical barriers posed by environmental, political and other social pressures. "National policies in many countries seriously impede, if they do not prevent, entirely the development of petroleum supplies sufficient even for those countries' own internal requirements."

They believe that the barriers are not insurmountable and that the future is hopeful. "But gaining these resources will not come easily," they add cautiously. "This caveat points to the differing views among energy experts. For those who warn about a new energy crisis in 20 to 30 years are not content that enhanced recovery techniques and alternative sources of oil and gas will be developed in time. At least there is some hope that a solution will be found.

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ever mind the quality—feel the width

PETER RIDDELL

GOVERNMENT produces statistics on a massive scale — has published a 350-page volume of 2,500 separate sources, how much of this is of any use to industry and business? It is a regular monthly and very serious — trade figures, prices, profits and capital movements — are clearly of interest to a wide range of people beyond just economists and statisticians. However, the current Statistical Service brings out a wide range of publications — 58 in all, including Economic Trends, the Monthly Digest and Annual Digest of Statistics, the National Income and Expenditure book and Social Trends.

The Government has recently issued a survey into how these publications are used by the Institute of Statisticians, the Market Research Society, the Society of Business Economists, the Industrial Research Association, and the Society of Investment Analysts. The response rate was low at more than a tenth: one-third of those replying worked in manufacturing companies and third saying this factor is of little importance, though only 8 per cent of users buy their more than £50m. a year. Nearly one-third of those replying were market researchers.

The survey, published in the latest issue of the Central Statistical Office's Statistical News, shows, perhaps not surprisingly, a heavy regular use of the publications listed above, in particular general support for the main digest volumes. Replies to several questions show a demand for a run of longer period and also a desire for greater detail for individual industry statistics and more international comparisons. The survey also highlights features which readers consider to be very important. Top of the list, at 72 per cent., is consistency and comparability and this is followed by speed of publication, at 62 per cent. Ironically, though, accuracy came a poor third at 55 per cent. Price is at the bottom of

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Confrontation of attitudes

AFTER Cranwick's outspoken reply to the findings of the Scarman inquiry, the stage seems set for a full-scale confrontation between the company and the trade union movement.

The underlying confrontation, however, as it has been from the beginning is one of attitudes. Cranwick accepts that better procedures for dealing with grievances may be needed, even if these are fanciful, and is prepared both to allow any employee who wishes it to have a trade union bargain on its behalf and to recognise the bargaining rights of APEX if the House of Lords reverses the judgment of the Court of Appeal.

Letter and spirit. Its reasons for rejecting this idea are straightforward. First, some of those who were dismissed—and only subsequently applied to APEX for support—were dismissed for damaging the company's property, and the inquiry's finding that the violence was "short-lived" hardly weakens the management's justification for its action.

A new blueprint for Rhodesia

THE BRITISH Government's new proposals for settling the future of Rhodesia are ingenious, courageous and, in certain important respects, highly unexpected. Viewed in the abstract, they also appear to represent a reasonably fair blueprint for making a swift transition to the creation of an independent Zimbabwe, based on universal suffrage.

The most unexpected, and the most courageous, element in the plan is the proposal that Britain should assume direct responsibility for running the country during the brief period of preparation for general elections and independence. The main risk here is that the ceasefire, which would be the precondition for establishing an interim administration, might break down and expose the U.K. to unpredictable commitments.

Momentum. The most ingenious element, and the one which offers the best guarantee that the risks of breakdown in mid-course could not impose an intolerable burden on the U.K., is the parallel suggestion that the United Nations should also be directly involved, with the mobilisation of a UN force to help ensure the maintenance of law and order. Just as the British political presence may, with luck, stand as a symbol of impartiality between whites and blacks, so a UN military presence could help to break the deadlock over the vexed question of who maintains law and order during the transition—the white Rhodesian forces or the guerrillas.



NEXT week in Blackpool, the 113 trade unions affiliated to the TUC will be deciding how "orderly" their return to free wage bargaining should be. They will vote on a decision of the TUC General Council to maintain a vestigial incomes policy by insisting that all the pay settlements reached before July 31 this year must run for a full 12 months.

They will be debating the 12-month rule at a time when many trade unionists feel the Government has taken what it can from the unions and is now ignoring them. The TUC has successfully held for two years rigid, self-imposed, pay policies; it has been unable to deliver a third; the Government's answer has been to go ahead as if the much-vaunted talks with the TUC had never taken place, and to impose—by methods already severely criticised—an incomes policy almost as tough as the TUC model that has just ended.

Law reform. Trade unions have long enjoyed various important legal immunities in prosecution of a trade dispute and they have recently been given further privileges in return for their support of the "social contract." It may well be that some of these new privileges have had the perverse effect of actually adding to unemployment. The point of importance here, however, is that the ambiguous nature of the law as it stands at present—the inability of the dismissed Cranwick workers to appeal against unjust dismissal, for example, and the vagueness of the powers exercised by the Advisory, Conciliation and Arbitration Service—is due largely to the strong reluctance of trade unions to have their affairs dealt with by the courts.

What is at stake in Blackpool is not just the 12-month rule, important though that is to the Government's strategy of holding the line until the promised deceleration of price increases starts to make an impact. Just as important will be the mood of the Congress—something Mr. Callaghan will savour on Tuesday the eve of the economic debate. A resolute majority in favour of the 12-month rule could be of as little value as a simple majority against it. It is the conviction, or lack of it, behind the vote which will influence the behaviour of trade union officials and senior shop stewards as they return from Blackpool to face the workers for whom they negotiate.

It is what happens after the Congress that matters; and TUC leaders are arguing that if the Government continues to push the inflexible Treasury line, it will see not an orderly return to free collective bargaining, but a progressive collapse of the TUC policymakers' own attempts to instil moderation into post-Stage Two settlements. Such a collapse would put the social contract into deep freeze; ultimately it would compel Mr. Callaghan to act on the Government's repeated warnings to TUC leaders that if they cannot support him a general election is unavoidable.

MEN AND MATTERS

Murray, breezing to Blackpool

The man who appears most cheerful about next week's TUC gathering is the one you might expect to look most harassed: general secretary Len Murray. Yet a year ago, when a heart attack kept him away from his office for six weeks, it seemed as though his career was destined to be cut short. Visibly aged by the job, Murray was a self-confessed warrior, and there were forecasts that his assistant, Norman Willis, might have to replace him.

Since then, Willis has slipped out of the spotlight, and Murray says: "My heart attack was the best thing that had happened to me for a long time." The ailment-down time from the Board of one of those pillars of City life, a clearing bank. Rarer still is the sight of a big bank spelling out in a public announcement the reasons for the parting of the ways.

Yesterday that was the step Barclays took when it sprang the surprise of the departure of Charles Ball, a main Board director by virtue of his chairmanship of Barclays Merchant Bank. He arrived in ginger up the merchant bank 15 months ago, having made a reputation as one of the City's best-known corporate affairs specialists while at Kleinwort Benson.

Ball bails out. It is rare indeed for anyone to resign over policy disagreements

After Congress, come the pay problems

By CHRISTIAN TYLER, Labour Editor, in Blackpool

Attempted breaches of the 12-month rule

- Groups "ducking" Stage Two 5 per cent. (£2.50-£4) deals: 200,000 clearing bank staff: settlement due last July, claiming 10 per cent. 71,000 ICI manual and clerical: due June; "substantial" and 30 per cent. claims. 60,000 gas staff: due July 1; claim awaits TUC vote. 40,000 Merchant Navy officers: due June; claiming 17.7 per cent. 20,000 Chrysler workers: due July; claims around 25 per cent. 6,000 Leyland Jaguar workers: due April; on strike for £20 a week. (Stage Two paid regardless.) 6,000 Leyland Trinniph, Coventry: due July; claiming £20 a week. 3,500 Fleet Street journalists: due before August; various claims.

Most obvious have been the disputes involving air traffic control assistants, carworkers in parts of Leyland, and the nine-week strike of 1,200 Lucas toolmakers. Now there are ominous rumblings from the power stations and from the docks, unresolved conflict at Leyland's big Longbridge plant and battle preparations among BBC staff.

Will inflation eat away your legacy?

You can safeguard against this danger, by ensuring that it helps enduring work for which there is ever-increasing need. Nowhere is the need greater (or growing more) than in the tragic problems of old people. As they live longer the sorrow of constant loneliness is added to the inevitable difficulties of infirmity and old age.

Time is not on their side. Help the Aged is with Day Centres where they find friendship. Work Centres for those intent on keeping active, Feeding Centres for the hungry overseas, and Day Treatment Hospitals here in Britain.

Among the well-known people who endorse the value of a legacy to Help the Aged are Lord Shawcross, Lord Gardner (the charity's president), Lady Spencer-Churchill and General Sir Brian Horrocks.

Write or phone for interesting and helpful booklets on making wills and on reducing the impact of Capital Transfer Tax (Estate Duty). Free on request from: The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room FT3L, 32 Dover Street, London W1A 2AP. Telephone: (01) 499 8972.



"If the unions get their way, we won't be bored with any holiday snaps this year!"

Handwritten signature or note at the bottom of the page.

FINANCIAL TIMES SURVEY

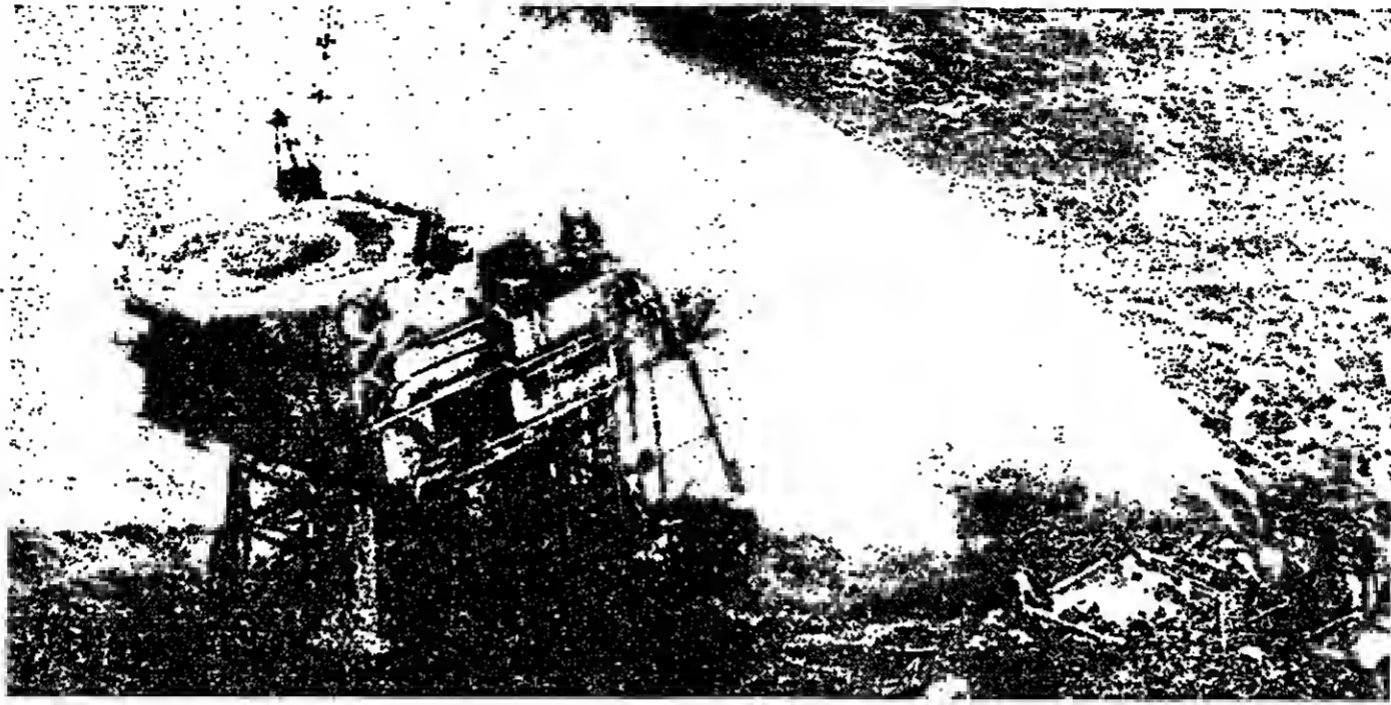
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Reinsurance

The 21st International Insurance and Reinsurance Congress is being held in Monte Carlo from Monday, September 5 until Saturday, September 10.

Reinsurance is a highly specialised sector of the insurance industry which rarely sees the limelight but which nevertheless provides an essential service. In these days of massive single operational units, with their attendant catastrophe risk, it is unchallengeably a major growth area.



The fiery blow-out on the Bravo platform in the Norwegian Ekofisk field earlier this year—an instance of the major disaster risks always lurking in offshore oil and gas rig operations.

very real necessity. The present surplus capacity means that more of the risk can be retained.

London has always been a major world centre for reinsurance as well as insurance. The historical strength of sterling over the centuries has played a dominant role in giving London this position. But the latter has been shaken over the past two or three years by the weakness of sterling. It has meant that a risk that was viable in sterling terms was a loss situation in original currency terms simply because sterling had weakened. The present stability of the pound has come as a welcome relief to insurers and reinsurers alike, but even so the large reinsurers have been turning more and more to keeping the premiums invested locally so as to reduce the risk of currency depreciation and the Bank of England has made recent concessions to enable reinsurers to do this.

Funds

The continuing high rates of inflation world-wide still pose problems, in that insurers cannot generate sufficient internal funds to expand their asset bases to match the value growth arising from inflation. Periodically they are going to seek funds elsewhere. Lloyd's at present is suffering from an embarrassment of riches in that membership applications this year are more than double the previous year's record, so new funds are ample. With the insurance companies, however, recourse to shareholders seems inevitable if solvency margins are not to come under pressure.

North America has always been a leading source of business for reinsurance and in the past two or three years the flow has steadily increased. Much of this business was lost in the rate-cutting war carried on by certain American insurers who went for cash flow and investment income rather than underwriting. Inevitably they got their fingers burnt and the prudence of U.K. reinsurers in keeping out of the way has paid off.

In this respect the industry has done well out of the high level of interest rates on short-term investments. But the more prudent operators have always regarded this as the icing on the cake and considered it essential to get the correct rating so that underwriting would show a profit on average. Investment income should be regarded as providing the owner's profit and increasing the reserves.

The development of local insurance industries in the younger countries, fostered by the intense nationalistic feelings within those countries has already been mentioned. Although it has had an impact on direct insurance, it has resulted in a boost to reinsurance business in Britain and other world reinsurance centres.

CONTINUED ON NEXT PAGE

Coping with the big risk

By Eric Short

THERE IS no doubt that reinsurance is the major growth sector for the U.K. insurance industry, not only now but in the foreseeable future. Over half of the business transacted at Lloyd's is reinsurance. Growth in the direct underwriting side of the business can be expected to be much slower as the emerging nations set up their own insurance organisations and keep more direct insurance business within their own territories.

The impetus for this growth in reinsurance is not difficult to find. The insurance industry has now moved into the big risk area, and the amount of cover required for offshore oil rigs and other high risk operations has increased. The controlling disasters which hit Australia in 1974, the extent of the damage was such that had not some of the risks been reinsured outside the country instead of being kept entirely within the country, it is doubtful whether the Australian insurance industry could have survived.

In this respect the move by the emerging countries to keep reinsurance as well as direct insurance within their own territories looks to be misguided. The reasoning behind this move in keeping all premium and currency within the country is understandable, all insurance within its own boundaries but it is not insurance. The prime purpose of an insurance industry is insurance not investment. The growth of the big risk industry is insurance not investment. A lesson learnt the hard way in North America. The time because of capacity problems. At present there therefore ensure that their capacity will meet a catastrophe and any excess should be quickly reinsured worldwide. It is only a long time before any country, even the most advanced, will be able to keep the risk world-wide is still a

now measured in millions of pounds and in some cases in hundreds of millions. To cope with insuring risks of this size, the insurance industry is having to reassess its methods of operation, especially in the way the risk is spread. For it is far too large for any single insurer, even the biggest, to cover by itself. Co-insurance is growing, whereby the risk is underwritten by a number of insurers—companies or Lloyd's syndicates—all taking a smaller percentage of the risk than they would have a few years ago.

But even this does not spread the risk sufficiently. There is a strong need to reinsure these risks further with the aim of ensuring that no insurer or reinsurer goes insolvent on account of the big risk claim. This year there have been some very expensive as well as tragic disasters—the Tenerife air crash, the oil field fires in Saudi Arabia.

Reinsurance is as old as the insurance industry itself and just as vital, if not more so. The basic principle of insurance is to spread risks so that if disaster occurs bankruptcy does not follow. This applies even more to insurers than to individuals. If an individual goes bankrupt very few others are affected. If an insurer goes insolvent, then hundreds of thousands of people, organisations and companies are affected. It could have a domino effect on the security of the insurance industry.

The need to go beyond national boundaries was highlighted by a series of natural disasters which hit Australia in 1974. The extent of the damage was such that had not some of the risks been reinsured outside the country instead of being kept entirely within the country, it is doubtful whether the Australian insurance industry could have survived.

How should an insurer spread his risks? The answer is as widely as possible, so the best solution is to spread risks on a world-wide basis giving both a currency and geographical diversification. The need to go beyond national boundaries was highlighted by a series of natural disasters which hit Australia in 1974. The extent of the damage was such that had not some of the risks been reinsured outside the country instead of being kept entirely within the country, it is doubtful whether the Australian insurance industry could have survived.

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M&G REINSURANCE

Inflation adds to the burden

THE WHOLE operation of insurance depends on stable economic conditions. If it is to be viable, the insured enters a commitment and pays his premium, the insurers pay out on values pertaining at the time of the claim. If monetary values have changed substantially between the time of payment of premium and payment of the claim the insurer has lost out on the transaction.

Take for example, an insurance contract written at the beginning of a calendar year to insure a factory. The underwriter bases his premium rate on the value of the building at the time. Subsequently a claim is made relating to a fire on the premises on the last day of the year, but over the year property values have risen by 10 per cent., so the underwriter has lost on the deal simply because of inflation.

But underwriters are not all that naive. They allow for inflation in calculating their premium rates—the problem is what rate of inflation to allow for. This is a competitive market. If the underwriter assumes too low a rate, then he still loses overall. If the rate assumed is too high then his rate will be uncompetitive.

Similar problems apply to exchange rates in terms of overseas business. The underwriter calculates his premium on one rate of exchange. He receives his premium in the local currency, converts it into sterling, then changes sterling into the local currency to pay the claim. If sterling has weakened between receipt of the premium and payment of the claim, the underwriter has made a loss.

Inflation and exchange rate movements are two variables in an underwriter's calculation which in recent years have assumed great importance. He has to assess the size of the risk and also the trend of inflation and movements in sterling—forecasts that the experts in wrong.

Reinsurers are particularly exposed in the traditional field have got consistently excess of loss business. Under this type of reinsurance the direct insurer's liability is limited by a fixed cut-off point with the reinsurer carrying a long tail risk. The chance of that risk occurring may be very small, but when it does the liability can approach an open-ended commitment.

However, all these additional problems have meant that reinsurers have had to employ their ingenuity and expertise in seeking solutions. The only and absolute alternative is to throw in one's hand. The ability of the insurance and reinsurance industry to carry on in face of the difficulties of the past few years has strengthened world regard for U.K. insurance.

Insurers have had to be much more careful in defining the cover they are offering. Inflation adjustments of one sort or another are now much more common and are built into many insurance contracts. Reinsurers have introduced a stability clause to deal with excess of loss which effectively provides for a moveable excess point linked to some form of index—like a wages index.

Attempts have also been made to introduce sliding scales of reinsurance premiums according to the level of claims. The idea is for the reinsurer to fix minimum and maximum premiums with allowance for variation within a certain range. This has met with a mixed reception. Despite all human ingenuity, inflation will remain an uninsurable risk and it is certainly in the interests of the insurance industry as well as for others for the Government to keep inflation under control. It is not

dictable rate of increase that is the problem. So far as currency risk is concerned, the solution is to match assets and liabilities as far as possible in the same currency. This would work were there no currency restrictions, but all too often exchange control regulations make it difficult or even impossible, to achieve this matching. Here Britain is among the worst offenders despite the recent relaxation of rules by the Bank of England.

Investment risks are laborious and outperform inflation. The lower rate of loss in the U.K. over the past 7 years from the hyperinflation of 25 per cent. and the stability of sterling has alleviated writers' problems at least temporarily. But never again will they be able to take for granted the currency stability of gentle rates of inflation experienced in the 50s and 60s. The easing of these problems being regarded as providing breathing space for the industry to think hard and re-examine the methods of meeting high inflation rates and unstable currencies. Even the most optimistic among us would be prepared in state catastrophe that such conditions were experienced in the 70s could ever return in the next decade or so.

Reasons

Then again, there may be sound insurance reasons for departing from a matched position. The economy of a particular country may be weak, so that holding assets in that country would not make sound business sense. One important reason for the dominance of London as a world insurance and reinsurance centre has been the large capital market with a wide and easily assessable variety of investments. Reinsurers have been able to invest and realise millions of pounds in a comparatively short time. In some markets such transactions would be virtually impossible.

One important consequence of the troubles of the past few years is that much more emphasis has been placed on investment management. This does not mean a return to theory that profit on investments should come from writing. Inflation and currency weakness has made efficient investment management provide a means of hedging currency damage and providing a hedge against inflation. What it must not mean is investment risks are laborious and outperform inflation.

Eric Sho

Underwriter

Similar problems apply to exchange rates in terms of overseas business. The underwriter calculates his premium on one rate of exchange. He receives his premium in the local currency, converts it into sterling, then changes sterling into the local currency to pay the claim. If sterling has weakened between receipt of the premium and payment of the claim, the underwriter has made a loss.

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Coping

CONTINUED FROM PREVIOUS PAGE

The economies of these countries are in general not sufficiently broad to support insurance operations that could withstand large claim payments. They have of necessity to insure a large part of their risks, no matter how much they desire to retain the funds within their own country, and a large part of that business must come to London.

Insurance brokers are playing a dominant role in the world-wide development of reinsurance, their connections making it an advantage when it comes to arranging reinsurance treaties and placing business. U.K. insurance brokers have been to the fore in this development and have been linking up with local insurance industries where they can fulfil a dual role. First, they can place the insurance for local industries, assist in underwriting and advice in general on

the running of the operations. Ready access to world reinsurance markets is a necessary pre-requisite for successful insurance underwriting.

Staff

Secondly, they can assist in the training of local insurance personnel. Insurance operations depend not only on an adequate capital base; they depend even more on adequate qualified staff—from underwriters, investment managers, specialists in humble administration clerks and U.K. firms have been busy training overseas insurance men from the top in the bottom and passing on the knowledge acquired over two centuries. This is the strength of the U.K. reinsurance industry and the main reason why it will continue to flourish.

Dr. Klaus Gerathewohl
Rückversicherung - Grundlagen und Praxis
Reinsurance - Principles and Practice

Volume 1:
The extremely rapid development in the economic, technological and social fields has led to a growing demand for insurance in the last few decades. Reinsurance was, and still is, controlled with tasks which have become ever more difficult. Despite this development, there is a need in the specialised literature on the subject of reinsurance in German as an attempt to fill this gap. A description is given for recent findings in reinsurance and of how they fit into the whole reinsurance system. Volume 1 deals with the underwriting, reinsurance and reinsurance of the individual reinsurance agreement. Volume 2, which will be published in the course of 1977, will give an idea of the peculiarities of the legislative business, deal with specific questions relating to the reinsurance of individual classes of business.

Both volumes are scheduled to be published in English at a later date.

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REINSURANCE III

هنا امنة لادول



The chemical plant explosion at Flitborough in 1974 which besides the very large direct claims involved sounded a public alert on the environmental consequences of such a disaster.

London reigns as world centre

LONDON'S POSITION as the world's reinsurance centre dates back to just after World War I. The size of these insurance claims illustrates the importance of reinsurance and the high degree of financial skill which must be contained in the world's leading reinsurance market. For obvious reasons, reinsurance is a business which has been able to maintain its position when other areas of insurance have collapsed. The obvious candidate to fill the gap was London, which had long been the world's centre for reinsurance. The Reinsurance Centre Mr. Julius Neave, the general manager of the Mercantile and General Reinsurance Co. defined the main requirements for the world's reinsurance centre. He said: "The desire and willingness to provide cover must be there and with this there must also be the inventiveness, flexibility and the skill to innovate in the market place." He then went on to say: "Nowhere are these characteristics more obviously to be found than in London where a would-be insured or reinsured will discover an almost infinite variety of different underwriting views willing to consider his particular needs." Perhaps the single most important reason for London's dominance of the world reinsurance market is the existence of Lloyd's of London, the best known insurance institution in the world. Lloyd's has a very large insurance capacity, with over 10,000 members and 262 accredited broking houses. But apart from size its operation also has a great deal of flexibility. This is largely provided by its international marketing approach. Brokers independent of underwriters travel the world obtaining orders which can be placed with the underwriter individually for the syndicate of names he writes for but shares common services and works with numerous technical underwriting associations under the broad authority of the Chairman and Committee of Lloyd's and under the same roof.

Even without Lloyd's, though, London would still be a force to be reckoned with in both the insurance and reinsurance markets. This because of the development over three hundred years of Britain's giant composite insurance companies and groups. They differ from Lloyd's mainly in their marketing approach: while most of them will willingly deal through brokers much of their business comes from their own marketing efforts overseas. Working either with Lloyd's or through one of the composites, are the most important specialists in the reinsurance world—the professional reinsurers. These differ from other insurance specialists in that the reinsurer deals only with insurers themselves. They may operate directly with the client or accept business through brokers. There are relatively few of these currently in operation but their scale of knowledge and expertise must be considerable and their dealings can have no geographical limitations. They have to be well acquainted with all of the major problems which currently face the international reinsurer, including such catastrophic risks as earthquake, flood or windstorm.

Giant

What does seem clear, though, is that risks will continue to increase in size and as other countries become more active in insurance London as the world leader will be able to help spread the risks over a wider international range. As the U.S., Europe and the Far East develop their insurance facilities so they will all become more involved in the reinsurance field. This will mean that there will be more countries getting a slice of the insurance cake but the cake is growing steadily and London's slice should also get bigger rather than smaller. That is good news for the national economy. Underwriting profits derived from non-U.K. insurance business is small but insurance still ranks as the largest single item in the national invisible exports accounts, and reinsurance is responsible for more than half of that.

Bigger

Tom Kyte

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We would welcome your enquiries to Chief Manager (Marketing) David Drew, or Norman Cooling, Marketing Manager, at our head office, Surrey Street, Norwich or the staff of our underwriting rooms at 40 Lime Street, London EC3. Telephone numbers are: Norwich (0603) 615122 or 01-623 5391.



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REINSURANCE IV

More competition from abroad

REINSURANCE remains a rapidly growing business fuelled by the move in industry, world wide, to larger units of operation such as the supertankers and jumbo jets and those now seen in the petrochemical sector. But competition to gain a slice of this fast growing cake is hotting up. Once London companies dominated this market but many countries are now setting up local insurance industries and competition for reinsurance business on a world-wide basis is keener. More over a number of companies from America and the Continent have opened branches in London to bolster their geographical coverage.

This increased competition comes at a time when the U.K. reinsurance companies are suffering from the effects of inflation and the impact of a weak currency. Inflation has resulted in higher capital values which in turn has meant higher premiums but there has not been a similar increase in the asset base of the reinsurance companies. In some cases this has resulted in business being turned away due to a lack of capacity. Couple this with the falling pound, which has forced many to avoid the London market, and it is easy to understand why the threat of overseas competition is growing.

U.K. and this in turn has prompted many of the larger European organisations to form subsidiary reinsurance groups in the U.K.

This overseas threat is giving a number of U.K. reinsurance companies some cause for concern although there are others who would argue that this trend is a useful development of the London market. They claim that the world reinsurance market because of its ability to provide a wide and diversified range of underwriting views. So if the growing requirement for reinsurance cover is to be met then the London market must maintain its multifarious image and to this end an injection of new blood must be useful.

Apart from the growing number of reinsurance companies to the U.K. the London market is now facing competition from local insurance industries that are being formed in the developing countries. There is a strong nationalistic feeling in these countries which together with the urge to protect foreign reserves has led to the formation of reinsurance operations on a local basis. This ensures that the country is able to retain as much of the premiums as possible.

But by and large the London reinsurance market has tended to benefit from this growth in the developing countries. A significant proportion of the reinsurance business has been directed abroad mainly because the risk involved would almost certainly prove too great for one country to bear. If they tried to support insurance operators in large risks, the event of a catastrophe would prove disastrous on the local economy.

The natural disasters in Australia during 1974 are a good case in point. Had these risks been covered locally and

not spread on a world-wide basis then the whole of the insurance industry in that country would almost certainly have been insolvent.

Moreover, the high level of technical skills needed to organise a successful reinsurance market are not always readily available. And if a substantial risk is covered by one nationalised concern there should be an even greater need for well distributed reinsurance. So there is an incentive for U.K. concerns to promote some form of local insurance industry in countries where there is no restriction on foreign insurance business. Indeed, many of the London brokers are offering some form of technical assistance. But while this assistance is bound to aid further business relations there are no easy pickings in these developing areas. Competition is very fierce, particularly in the Middle East and most of the world majors are seeking business.

Edge

But the U.K. companies need to improve their competitive edge and actively seek new business in these new areas. The slide in sterling would have taken some toll on the level of business placed in London. Some international reinsurance companies would have been reluctant to place business solely in London since the effects on the U.K. companies' long-term contingent liabilities could be considerable. True inflation and a falling pound increases the level of premiums when converted but the reverse is true when an overseas catastrophe is returned in sterling.

But while the U.K. companies already well established in these areas may be keen to see the continued growth of these insurance markets in the developing countries they are bound to

draw some business away from the London market. The Singapore government recently acquired a controlling interest in Asia's only multinational reinsurance group to underwrite business for mainly Asian reinsurance companies. Prior to this development the bulk of reinsurance business in Asia had mainly been placed in other centres around the world in particular London. Again the main motive behind this move was to stem the outflow of reinsurance funds from the region. The currency exchange drain would be minimised and the funds could be utilised for regional investment purposes. The local government has also changed the tax laws to promote the growth of the local reinsurance industry.

The whole industry then is becoming more competitive both in the U.K. and the world markets. But London should be capable of maintaining its role as the leading centre for reinsurance. The expertise built up over a number of years coupled with the ability to give a wide range of underwriting views and deal in numerous currencies are all qualities that are not acquired overnight. Moreover London enjoys easy access to world markets while it will always instil confidence to the overseas operator given the strict controls that are maintained in the insurance sector. Following the collapse of Vehicle and General the government has taken an active role in the policing of the insurance industry.

Profit levels are likely to suffer from intense competition but as the growing proportion of reinsurance business now being conducted at Lloyd's illustrates, the London market is still taking a fair share of the expanding cake.

David Wright

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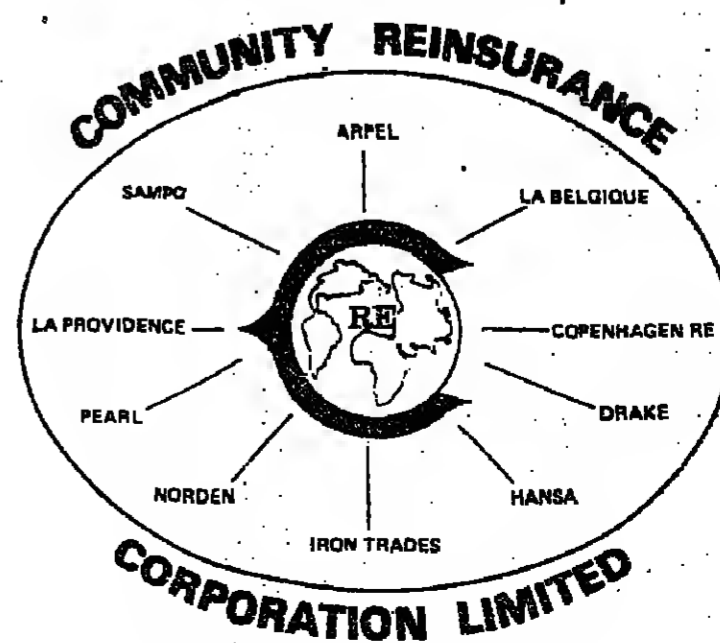


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Factor

The entry of the U.K. to the EEC opened up a new insurance area and this was also a major factor behind the accelerating trend of new companies being formed in the U.K. The object here was to use London as a base for a move into Europe given that there was a relatively easy access to the rest of the EEC.

Moreover, with tougher laws it is becoming increasingly difficult for overseas companies to operate branch offices in the

The importance of intermediaries

FOR A variety of reasons a greater proportion of international business is being written as reinsurance rather than on a direct basis. A growing volume of this reinsurance is being placed through specialist insurance brokers who operate on a truly international

scale. For instance, London reinsurance brokers place Eastern bloc reinsurances in London and other centres, while at the same time arranging outward reinsurance for the London market throughout the world.

Traditionally, reinsurance has been used to spread risks widely over a number of insurers and to even out the peaks and troughs of underwriting experience for individual reinsured companies. Nowadays there are other reasons for placing reinsurance, and here brokers are playing an increasingly important part.

In some cases the only way insurance can be obtained outside a particular country is by means of reinsurance. Where a country has a relatively small domestic market its retention is clearly quite low, with a substantial amount of outward reinsurance required. Here insurance brokers can provide the necessary facilities and, provided the security of the domestic market is considered adequate, they may be able to provide inward reinsurance—perhaps in the form of reinsurance from the London market.

Direct

In some parts of the world, for major insurances, local companies may be little more than a "front." Take the case of, say, a major construction contract which normally might be handled on a direct basis by a major firm of brokers. There may, however, be reasons why the business should be seen to be written locally. In such case the brokers may arrange the insurance (which otherwise would have been written on a direct basis) as a reinsurance of the local company. Naturally, in that event the terms of the insurance are negotiated with the reinsurers, since the local company may have little experience of this business and in any case would be able to retain no more than a small proportion of the risk.

To simplify the procedure, the broker may make arrangements for premiums to be paid direct to the reinsurers, by negotiating the local company, and for the reinsurers to pay any claims direct to the insured organisation. The local company may simply receive a commission in

some form for lending its name to the insurance.

Insurance companies throughout the world are gradually moving away from the idea of making direct arrangements with each other to exchange reinsurance of each other's business. That was one of the traditional approaches to reinsurance, allowing business to be spread widely and providing the opportunity to share in the profits earned by other insurers.

Writing that type of reinsurance, when a company is solely in the hands of another underwriter, has not always been profitable over the past few years, with the result that increasingly complex forms of reinsurance have been developed to give protection to insured companies and the prospect of a reasonable return to the reinsurers. Reinsurance brokers have played an important part in tailoring reinsurance arrangements to meet the specific needs of companies seeking reinsurance protection—on terms which are acceptable to reinsurers.

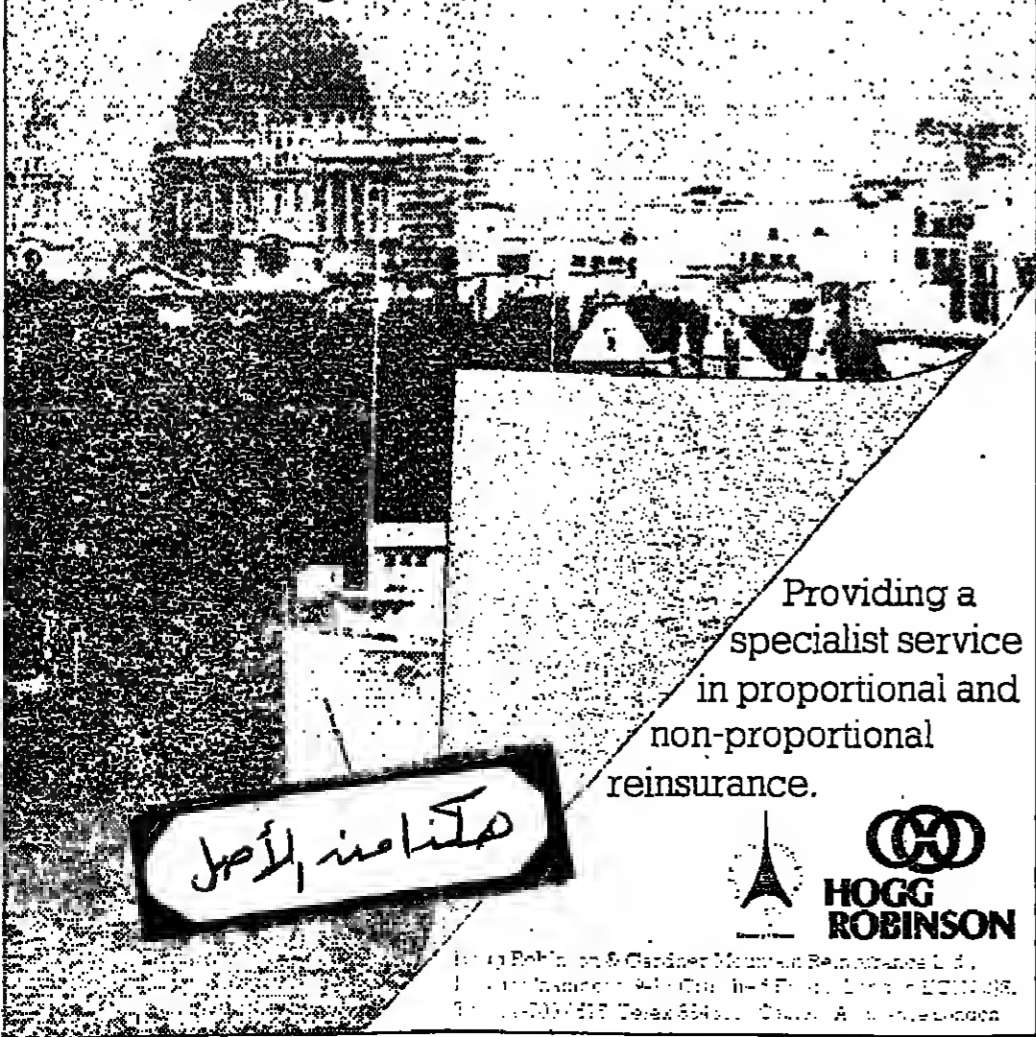
There has been a very strong trend towards excess of loss reinsurance, rather than "pro rata" reinsurance. With the former, the reinsurer negotiates with the broker in much the same way as a direct insurer negotiates over direct business. Essentially, the excess of loss underwriter is looking at a risk and deciding what to charge for that risk, depending on his knowledge of the market and the information provided, without being bound in any way to the rates of premium charged by the direct writing company.

While an insurance company, or a syndicate of underwriters at Lloyd's, can ask a broker to arrange facultative reinsurance of a particular risk, it is often more satisfactory for brokers to set up reinsurance facilities for certain types of business, so that the cover is available to whatever extent may be required. As is well known, the London insurance market writes a substantial proportion of the business connected with oil and gas exploration and production in the North Sea, although currently it is facing a certain amount of competition in this area from the U.S.

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REINSURANCE V



The fire on Pacific Glory off the Isle of Wight which led to large claims

Lloyd's worldwide

THE REINSURANCE market pound took last year is a furthering of the worldwide and their factor undermining Lloyd's... (text continues)

...the last accounts for 1973 showed a profit of £110m... (text continues)

...combined with technical innovation has made some of the... (text continues)

Reputation

Potential members have to show that they possess readily realisable assets of £75,000... (text continues)

That aside, Lloyd's has built its reputation on the "catastrophe" reinsurance market... (text continues)

Capacity

By the end of this year Lloyd's could have nearly 15,000 members... (text continues)

Importance

Continued from previous page... insurance companies and reinsurers might not be possible... (text continues)

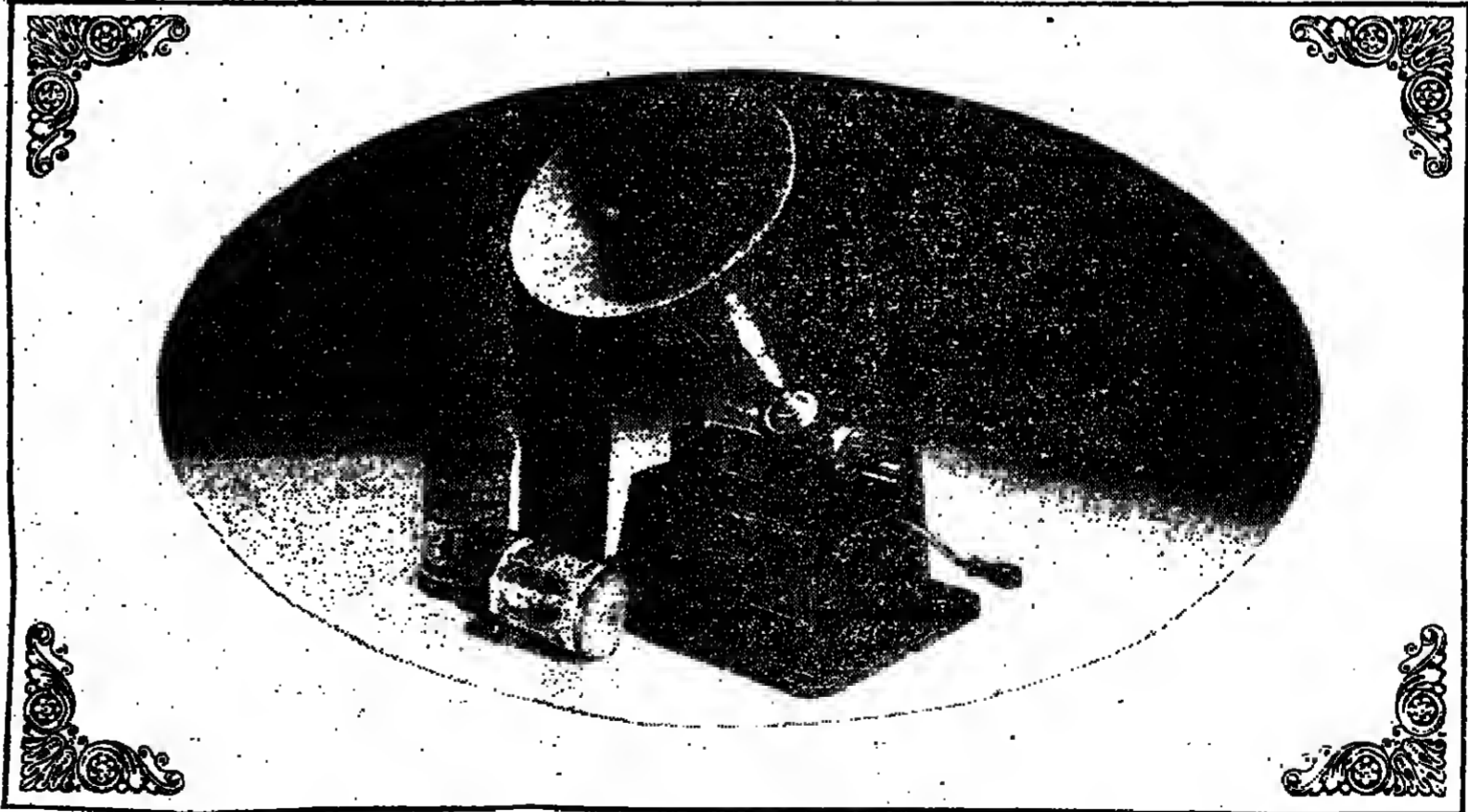
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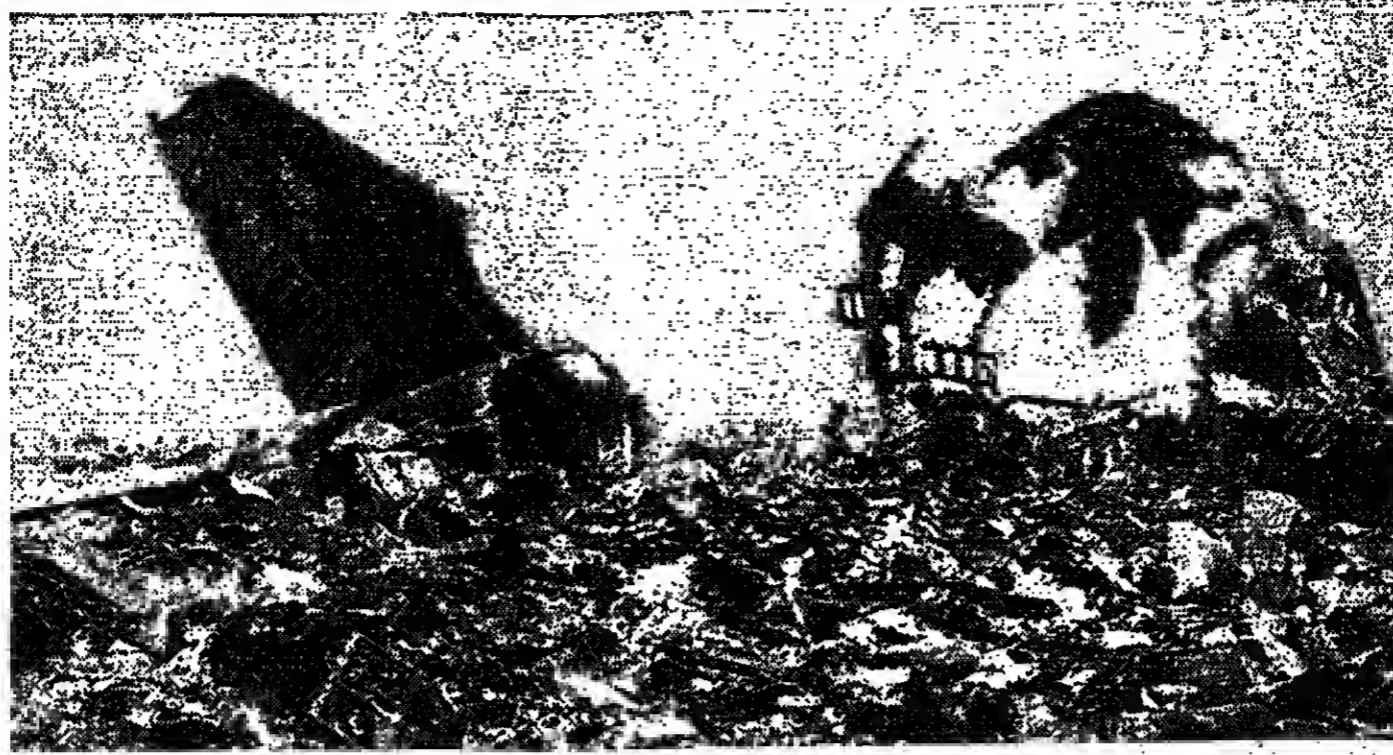
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REINSURANCE VI



The aftermath of the jumbo jets collision at Tenerife in March. It will be several years before claims are settled.

North American market picks up

THE REINSURANCE market in North America seems to be passing through a classic cycle. After three and a half years of famine it has begun to swing into a new era of plenty the momentum of which seems assured up to the end of 1978.

For the first time since the middle of 1973 loss reserves are beginning to be predictable again; premium rates are at a level which allows for reasonable profitability; and the index of combined ratios is at last on the right side of 100. The signs of returning health had begun to show midway through last year but not until the first quarter of this year was the trend really clear. At that point two of the big three stock houses—General Reinsurance and the ERC Corporation—came back into the black on underwriting. Even more significant, both sets of figures were accompanied by implications of further improvement to come. The third of the trio, American Reinsurance, still has problems to overcome but even here a return to underwriting profitability does not look like being long delayed.

There is still room for further and considerable improvement, however, as the ratios bear out. In the first quarter of 1976 the reinsurance index of combined ratios was showing losses of 103.9. By the fourth quarter it had turned the corner to profits of 99.3 but the year as a whole showed a slight deficit with ratios of 101.3. In the first quarter of this year the ratios still pointed marginally down at 100.5 but the provisional second quarter figure is a healthier 98. By the opening quarter of next year all the



First demands are just being met on the Turkish DC 10 crash north of Paris in 1974 when all 346 people aboard were killed.

pointers are for more traditional ratios of around 92 or 93. The factors which lie behind the recovery in the industry are to be found in the causes of the recession which occurred half way through 1973. They were inflation, competition and a stock market downturn. As inflation began to boost insurance claims in the primary market so the primary insurers increased their own cover through reinsuring their excess of losses. The field was attractive enough to encourage new entrants to the industry, which began to suffer from over-competitiveness leading to a price war. At the same time investment income took a dive as Wall Street, having peaked out in January 1973, went into a two-year downturn.

With rates cut to the bone and lacking support from invest-

ment income loss-reserves came under great strain as each new insurance claim was settled at an inflation-linked percentage increase on its predecessor. Now two out of the three factors have begun to reverse. Premium rates, which increased by only 7 per cent. in 1973 and 8 per cent. in 1974, went forward by 23 per cent. in 1975 and again in 1976, while in the first quarter of this year alone there has been a 20 per cent. increase. The increases have been made possible by the rapid exit from the reinsurance field of many of the players who had brought about the price-cutting war in early 1974.

Ratio

They have also come about through the increase in new business taken by primary insurers who are either unwilling or unable to carry extra potential losses on their own. Like the reinsurers, they too have had their capital squeezed between inflated claims and declining investment income and their capital bases still are far from comfortable.

Traditionally the ratio of premiums written to capital in the primary insurers is about 2½ to 1. At its worst the ratio was 4 to 1. Now it is back down to 3 to 1, but this is still too high for comfort. Hence the calls on the reinsurers and the reason why the latter have been able successfully to press for higher rates.

Unlike the primary insurance market the reinsurance groups are not controlled by inter-State price regulations so they have been able to raise their rates much more quickly than their direct insurance counterparts. In many cases the rates have hopped up by as much as five or six times, particularly in the still difficult areas of professional indemnity or medical malpractice business.

This has proved a boon to the reinsurers who, much more so than the primary groups which are able to limit their excess of losses, have had to bear the full brunt of rampant inflation.

The first half of this year therefore saw the industry back into a more comfortable position with leading commentators, like Fox-Pitt Kelton New York Stock Exchange brokers specialising in insurance shares, predicting that "it is going into the profitable phase of a classic cycle." According to the firm, "profits are now probably built in for the next two years."

There are still problem areas, however. The third key factor in the 1973-74 recession was the downturn in the Wall Street market which slashed investment income. All the signs are that another downturn is on the way again; this does not look good for the industry, particularly in the light of some of the heavy casualty claims they are now facing.

heavily on the time lag before claims need to be met after major casualties. For instance, claims following the Turkish airlines crash in France in 1974 are still being processed and the reinsurers are only just having to meet the first demands on them. The Tenerife airport disaster is still several years from settlement.

In fact the bulk of the reinsurance book is weighted towards the longer end of liability claims, with a typical time lag of five years between activation of the liability and actual payment. During that period the reinsurers rely heavily on investing in the equities market to produce the income to meet their liabilities—which is why a downturn on the Dow Jones Index is critical.

Despite this cloud, however, the recovery in the U.S. reinsurance market is genuine, and according to most commentators, this will have a medium-term impact on business levels in the London market. Partially as a result of the withdrawal of many groups from the reinsurance market in the U.S., which led to under-capacity, and partially because of the reluctance by American reinsurers to handle certain types of difficult liability business, the London market has benefited from an accelerating inflow of business from America.

It is estimated that some 50 per cent. of Lloyd's business arises in the U.S. Furthermore, this sort of business is heavily biased towards reinsurance. It is arguable that between 30 and 40 per cent. of Lloyd's business, therefore, is U.S. reinsurance.

Abroad

With under-capacity and caution still prevalent in the U.S., London is continuing to benefit from the inflow of business which American groups cannot or will not absorb. This seems likely to continue up to 1978 at least, according to a recent report by stockbrokers Rowe and Pitman. In a study of the industry the firm suggested that "as far as the flow of business is concerned, the main impetus will continue to come from abroad and, particularly, from the North American reinsurance market."

Beyond 1978 the inflow from North America is likely to decelerate as confidence returns to the American groups and their ability to absorb business improves. Still, there is little chance of the inflow turning into an outflow. For all the importance of U.S. business to the London market, the proportion of total American business which actually ends up in London is a mere 2 per cent. of the total across the Atlantic.

So with the need to spread risks as widely as possible reinforced by the unpleasant experience of the last three years, London can expect to keep a proportion of American reinsurance business, particularly to the sensitive areas.

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REINSURANCE VII

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business is extremely volatile, depending very much on the state of the market. When this is bearish sales tend to fall off. The new valuation regulations under the Insurance Companies Act 1974 make it obligatory for the actuary to treat each policy as a lapse and set up a reserve for a refund of commission. He cannot offset this liability against recouping commission from the broker or agent...

Logic

For instance, if the life company had paid 60 per cent of the premium, the reinsurer would pay something like 90 per cent for its share of the policy. Since commission is one very significant new business cost, this action of the reinsurer has lifted most of this burden from the life company, thus enabling it to handle a larger volume of new business without having to raise fresh capital. The business logic behind the reinsurers paying such high terms is that it is not involved in any other expenses, so it can afford to be generous and it is getting a slice of the action on competitive terms.

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...and the risks get bigger

Life companies would take a long time to get off the ground if they could only accept the small size regular premium contract. This is one reason why these companies have concentrated on writing mainly single premium business and have expanded slowly. A company needs a steady flow of new business in order to cover its expenses of operation and this leads on to the next factor affecting life company profitability: life assurance is expensive business to insure. The bulk of the expenses are incurred at the outset—setting up the market organisation, paying commissions, underwriting the risk, along with the administration of a regular premium business. Companies can offset this expenditure by the "reinsurance" market are broadly that a smaller part of the premium paid in the first two years is not outside for investment, the remainder being used to reduce risk in overlaid cases. Again, just as in, say, the marine or aviation markets, there are companies which specialise in accepting or placing a particular sort of business...

that others may not be prepared to touch. On a practical basis, that might involve a company that is prepared to take a risk on those individuals with less than sound health. One of the prime users of the life reinsurance market are the new life companies starting up or, alternatively, just a small office. For the newcomer, obviously, in the early months and years of operation the sums assured on the books far outweigh the premium income. That is a high risk situation and one that is likely to worry the actuary. The risk is, therefore, laid-off through the reinsurance market via the big offices—such as Mercantile and General Reinsurance (a subsidiary of the Prudential), the U.K.'s largest institution, Victory Reinsurance or European and General Reinsurance (owned by Commercial Union). The actuary will well take the view that regardless of the total sum assured on a life, the company can only allow itself to be liable up to, say, £5,000 life policy. The rest is dispersed through the market. As the company becomes more established and grows larger, then, obviously, the dependence of the reinsurance market will diminish until such time as only the very special cases are put through the market. The individual taking out the policy is never any the wiser. All he or she knows is that he has a sound policy with a life office. It is irrelevant that the company in question is facing very little exposure itself and has subcontracted the risk. Any reinsurer, before committing himself, will want to see and judge for himself the type of business that is being written, for whom and by whom. If he is satisfied with that, then the chances are that the newcomer will have no problem in off-loading risk. Further up the scale, too, use is also made of the reinsurance market. If, for example, a pop star wanted to insure his life for a few million pounds he would almost certainly approach one life office, via a broker. The latter would take his brokerage fee and play no further part. The life office would then consider the risk and, according to size, would use its contacts to spread the business and thus reduce risk. Chances are that the policy, which would anyway be on a "market" rate—that is, negotiated, "one-off" basis—would be underwritten by a number of offices. And if it was really large, then other offices on the Continent would step in and take a slice of the business. Again, the individual taking out the policy would, as far as he or she was concerned, have one policy with, say, Eagle Star. He would be quite unaware of the huge amount of activity and co-operation that had gone on behind the scenes to arrange this type of cover. The skill of the reinsurer is in being able to assess the degree of risk. If it is a really large policy then he will want to have all the known information to date—medical and financial history, in particular. If it embraces the international market then the office would have to convince someone in another country that everything was in order and that this was a reasonable situation in which to be involved. And, of course, it works the other way. A Swedish company may well approach the London market, offering a slice of business.

Inflation

The effects of inflation, which seem to affect almost every aspect of our lives, also enter into the life assurance market. The sums involved are, quite simply, getting bigger and the risks that much heavier. But the practical value in this—plus the fact that the reinsurance market is spreading internationally—is that the level of understanding and skill is also rising to meet the demand. Anyone responsible for a risk running into many millions of pounds must now make sure that he has done his homework. And with competition high and London keen to preserve its dominance (at any rate in Europe) not only has the level of competence risen but premium rates are dictated by a developed market. Hence, it is likely that a celebrity seeking cover will be able to secure a better and more competitively-priced deal than was once the case. Those with a comprehensive knowledge of the market will also be able to gain the most business. They will know, for example, those offices that are prepared to quote on high risk situations, whether for medical, financial or political reasons. They will also know those brokers who specialise in catering for the needs of specific professions, that is pop singers, film stars etc. As a result they will be able to quote very rapidly, which is a major plus point when attracting business. In short, here is a clear-cut case where a higher level of activity has been directly responsible for innovation in the market. Those individuals, who would otherwise have to face an exorbitant and totally unrealistic rate—if, indeed, they could be covered at all—can now be accommodated.

Keith Lewis

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WITH CAPITAL AND PROVISIONS OF RLS. 9,147,000,000.00 (U.S. \$ 130,871,500.00)

With more than 500 branch offices and Agencies in Iran and throughout the world. Offer services in all classes of life and non-life insurance. Handles more than 70% of the total Iranian insurance market. Holds 100% shares of Bank Bimeh Iran and Sbababas Hotel in Isfahan. Inter Iran has a share in several banks, industrial and commercial corporations, shipping lines, Hotels and other major companies.

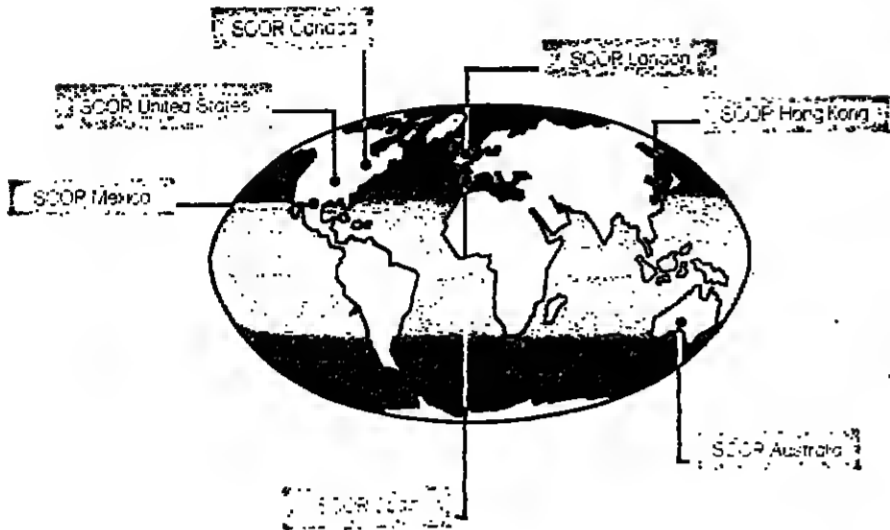
September 2, 1977, Wide variety of liability insurance, Rue Belliard 7, Tel. 512.3138, Telex UNAT B, Tele. UNAT, Fire & Accident, Aviation Underwriting, Rooms, Fern, 15-18 Lime Street, London, EC3M 7JF, Telephone: 01-481 1200, UNISCHE UNGS-GESellschaft, Insurance Company, re, Germany, SHED IN 1948, Company of the, for 1975, Own Account, and Reserves, OWs, ries (overseas), ce Company, Reich, Eszarakapky van der, Kapstadt, ER RÜCK, since 1967, A-1010, Phone:

REINSURANCE VIII

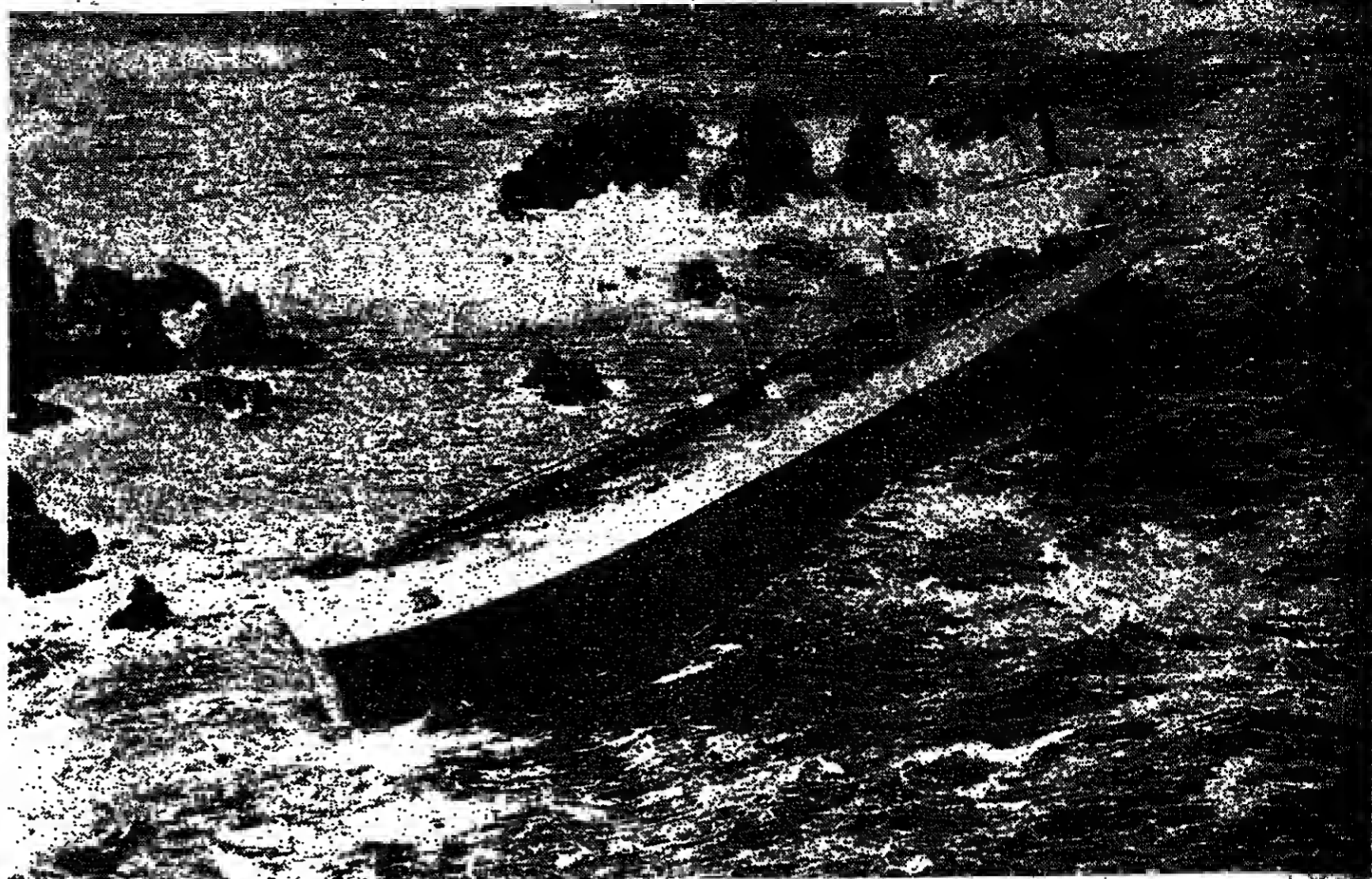
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An expensive shipwreck. The 275,000 ton supertanker, Olympic Bravery, after being driven onto the rocks off the Brest peninsula in northern France.

The overseas network

INSURANCE has few equals as an international industry. It reaches into virtually every corner of the globe through a network of business centres that today ranges far and wide outside London and New York, the traditional areas of risk placement.

A decade ago Europe and North America could sit back and comfortably divide the world insurance and reinsurance market between them. In recent years this effective, if wholly unintentional, cartel has been substantially dismantled following the economic expansion of the less developed nations. One by one the countries that make up the Third World have set up shop for themselves—partly because of internal demands for savings in foreign exchange and, these days at least, because national pride is just not complete without an indigenous insurance industry to set alongside the domestic airline and the international sports stadium.

Whatever the motives, however, of competing nations in setting up in the insurance and reinsurance business the end result is undeniable. The emergence of powerful new insurance hubs in parts of the world outside London and the City of London has meant that U.K. underwriters have gradually in recent years been edged out of what for many had long been traditional areas of operation—especially in and around this country's former colonial territories which today make up a large part of the developing world.

The major composites with wide overseas connections were probably the first to feel the wind of change, and that goes for the life companies too. The reinsurers have also had much of their earlier traditional lines of business taken away, although—as with all types of insurance—the world market has been expanding rapidly enough in recent years to make amends.

At the same time the two-way flow of business for the reinsurer in this country has brought with it some distinct benefits, notably in the form of increased high risk—and high reward—placements. The amount of actual business that a newly developed insurance company can undertake is often limited, and as a result recourse to reinsurance has become a top priority among the developing nations of the world. Lloyds is one of the few international insurance centres capable of absorbing specialised high risk business.

Influence
Britain's biggest reinsurance company, Mercantile and General Reinsurance, is especially busy overseas, and it cites Africa as an area that would make an excellent case study for anyone wishing to analyse the effect of nationalism and its influence on the growth of world insurance markets. Mercantile's counterparts in Africa are mostly nationalised companies, notably those in Malawi, Tanzania and Zambia. Ghana is currently putting together its own reinsurance industry, but Kenya—true to its traditions of limited government interference—still runs a largely mixed system, part State-owned and part free enterprise.

Mercantile stresses that growing financial sophistication brings difficulties in its wake. In some economies where growth has been very rapid—like Nigeria—the pace of the economic upturn has not been matched by the growth of expertise in risk management. Fire hazards, it explains, are one of its biggest insurance headaches in Nigeria just now. In the Far East the major reinsurance markets among the less developed nations centre on Indonesia, India and Taiwan. Mercantile's links with these parts of the world are extensive—it helped set up the Nepalese insurance company at the end of the 1960s—and continuing incursions by U.K. companies into the Indonesian reinsurance industry are not welcomed with wholly extended arms by the Indonesian authorities. Most of industry in Indonesia is nationalised, and where non-resident companies have gained a toehold it has been achieved at the expense of hefty cash deposits. As an example of the sort of sums involved, it has been estimated that a general non-life insurance company wishing to operate in Indonesia would need to put down at least an initial \$250m. In the developing parts of

Asia it is clear that a marked shift has begun to take place in the reinsurance industry. An agreement to establish the Asian Reinsurance Corporation has recently been signed by Iran and India. It is expected that many other countries will join the organisation, with the governments of Bangladesh, Indonesia, Malaysia, Nepal, Philippines, South Korea, Singapore, Sri Lanka and Thailand signatories in the original agreement.

Membership of the Corporation is open to all Asian nations other than those that help make up the Middle East. And in the words of United Nations Economic and Social Commission—the organisation that helped sponsor the founding of the Corporation—the new organisation is expected not only to reduce the drain on foreign exchange from the region but also provide funds for investment in Asia.

Insurance and reinsurance institutions operating in the countries joining the Corporation will have to cede it up to 5 per cent. of all their outward reinsurance treaties, or \$500,000 of acceptable reinsurance premiums—whichever is the smaller sum. In return and after an unspecified period the Corporation will underwrite what it describes as a substantial amount of reinsurance business from the international insurance markets and thus provide the regions of Asia involved with foreign exchange.

Brunt
It has been estimated that some \$200m. of reinsurance premiums flowed out of Asia in 1973-74, Iran taking the brunt of this drain with an outflow of \$85m., followed closely by the Philippines (\$29m.) and Thailand (\$19m.). The comparable figures for Singapore and Malaysia were around the \$12m. mark apiece. Clearly, if and when the Corporation gets fully underway the savings in valuable foreign exchange to member countries could be considerable.

In the Middle East the reinsurance industry owes much to the General Arab Insurance Federation, which is based in Cairo. The Federation is made up of 19 member countries among which Iraq has probably the oldest established—and largest—reinsurance industry. In 1976 the premium income of the Iraq Reinsurance Company amounted to around \$45m., with the group growing rapidly in recent years following its inception in 1961. Last year the Iraq Reinsurance Company managed to retain something like 71 per cent. of all premium income within its own reinsurance market. Five years ago the percentage of income that Iraq Reinsurance had to "lay off" with one of the bigger international markets was around 40 per cent. of total premium income.

Jeffrey Brown

The Board of Directors of
REINSURANCE COMPANY OF PANAMA S.A.
and
ESTUDIO CONSULTIVO DE SEGUROS S.A.
take pleasure in announcing that a new Reinsurance Company has been established and licenced to operate in Panama, under the name of

REINSURANCE COMPANY OF PANAMA S.A.
(Reaseguradora de Panama S.A.)

THE COMPANY WILL START OPERATIONS FROM
1st SEPTEMBER 1977

CAPITAL:
Paid up \$US 1,300,000
Subscribed \$US 700,000
Authorised \$US 5,000,000

BOARD OF DIRECTORS:
Dr. Nestor Baltodano G., Chairman of the Board
Anthony Joseph Leone, Deputy Chairman and Secretary
Joseph Frank Ambrano, Treasurer and Secretary
Luis Carlos Abrahams, Director

UNDERWRITING MANAGERS:
Estudio Consultivo de Seguros S.A. of Panama, R. of Panama
GENERAL & INVESTMENT MANAGERS:
Estudio Consultivo de Inversiones S.A. of Panama, R. of Panama

AUDITORS:
Price, Waterhouse & Co., Panama

SOLICITORS:
De La Guardia, Arosemena & Benedetti, Panama
REGISTERED OFFICE:
Calle 50A Este esq. Av. 3ra. Sur, Panama
Mailing Address:
Apartado 810, Panama 1, Rep. of Panama
Telex: "REINSURE" 368641 & 368586 - Telephone: 649143 & 692166

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MAATSCHAPPIJ N.V.**
(Hellenic Caribbean Co. Ltd.)

announces that the
company's corporate name
has been changed to:

**HELCAR
REINSURANCE
BROKERS LTD.**

and that HELCAR is the first Reinsurance Broker's Company
licensed to operate in Panama by the recently created National
Reinsurance Commission.

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Cables: HELCAR. Telephones: 691058 & 692166
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Munich

Premium Income DM 702 000 000
Premium for own Account DM 354 000 000
Capital and General Reserves DM 65 000 000
Underwriting Reserves DM 614 000 000

KLEEMAN INDUSTRIAL HOLDINGS INTERIM STATEMENT 1977

At their meeting on the 1st September, 1977, the Directors declared an Interim Dividend on the Ordinary Shares of the Company in respect of the year ending 31st December, 1977, of 2 pence per share...

Table with 3 columns: Period (ended 30th June, 30th June, 31st Dec), and 3 rows of financial data: Turnover, Profit before taxation, Net Profit.

Corporation Tax has been provided at the rate of 52% (1976-52%) I have again waived my right to the Interim Dividend on my 800,000 Ordinary Shares...

BIDS AND DEALS

Redfearn confident of repelling Rheem

BY JAMES BARTHOLOMEW

A PARTIAL take-over by Rheem International would actually harm the business of Redfearn National Glass according to the Board of Redfearn. Speaking at a Press conference yesterday, Mr. Stanley Race, Redfearn's chairman said that the decision-making process would be slow and control was moved to the U.S. and Redfearn was in an industry where close links with the customer and flexibility in planning were of the essence...

SIEMENS/BELOIT AGREEMENT

SIEMENS AG of Erlangen, W. Germany and Beloit Walsley of Bury, Lancs., have recently concluded an agreement whereby an substantial portion of the Elmo Vacuum Pump range will be manufactured in the U.K. by Beloit. This will be for consumption in the U.K. and U.S. market...

NEB takes 30% stake in Mersey plastics concern

The National Enterprise Board has put £100,000 into a private Merseyside company, Hemmings Plastics, to help it to expand and create 30 more jobs. The investment will give the State-owned NEB a 30.8 per cent. stake in Hemmings' enlarged capital.

SILSI/BUILDING SPECIALISTS

Silsi, a private company owned by Mr. S. R. Pundell and Mr. E. A. Gross, has made an offer worth £300,000 for the 70.1 per cent. of Ordinary shares it does not already own in Building Specialists, a public unquoted company which acts as specialist sub-contractors to the building industry. The price offered, through Barclays Merchant Bank, for the 1,133,285 shares in question is 26p each in cash.

SIME DARBY

Negotiations between Sime Darby's subsidiaries, Sime Darby Australia and Allied Rubber Mills of Australia, for the acquisition of the issued capital of Allied Rubber's subsidiary, Spring Investments, have been terminated.

REDFEARN NATIONAL GLASS

Redfearn National Glass is increasing its total 1977 dividend from 3.95p to 10.56p net, an increase of over 150 per cent, as reported yesterday.



Sir David Steel, chairman of British Petroleum.

BP up to £166m. in first half

NET INCOME before extra-ordinary items of British Petroleum Company said for the second quarter of 1977 advanced from £51.5m. to £75.7m. to give a first-half total up to £166m. from £158.2m. in the first six months.

For all 1978 total income was £107.7m. and net income £178.5m. Total sales for the quarter of 41.3m. tonnes are 2.4m. tonnes less than the first quarter, a reduction of 3.5 per cent. but compared with sales in the second quarter of 1976 represent an increase of 1 per cent.

Confidence at Manson Finance

Mr. A. Lawson and Mr. E. E. Goldie, joint chairmen of Manson Finance Trust, tell members in their annual statement that although the general economy has maintained the level of demand for the group's property and soundly...

PSIT to benefit from sales in current year

IN HIS annual statement, Mr. A. R. Perry, the chairman of Property Security Investment Trust, says that since the end of the year, further selected properties have been sold to realise capital gains in accordance with the policy of ensuring a positive cash flow. The benefits of these sales will be reflected in this year's accounts.

Land Investors rises to £1.7m.

Profits in the year to March 30, 1977, of Land Investors rose to £1.7m. from £1.2m. in 1976, subject to tax of £0.2m. against £0.7m.

Alex. Howden tops Strings £10m. at halfway

INTERNATIONAL insurance shares and shipping agents Alexander Howden Group lifted a tax profit from £8.8m. to £15m. for the first half of 1977, up from £10.2m. in 1976. The group's chairman, Mr. Peter Howden, says the group's performance has been maintained in the second half of the current year.

Laurence places 875,000 shares

Laurence & Wise plc has placed 875,000 ordinary shares at 20p each to raise £17.5m. The shares fell 4p to 17.25p on the London Stock Exchange.

Queens Moat up 71% at halfway

On turnover up 14 per cent. to £5.3m. from £4.6m. Queens Moat Hotels is a public company listed on the London Stock Exchange.

Matthews Wrightson hit by increased provision

Matthews Wrightson Holdings plc, the first public company to announce its trading results for the first half of 1977, says it has a net profit of £1.2m. after tax and provisions, down from £1.8m. in the first half of 1976.

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GERALD QUIN COPE & CO. LTD.

Bill Brokers, Private Bankers and Dealers in International Securities. With a summary of what from Monday 5th September 1977 their new address will be.

MONEY MARKET

Signal on interest rates

Bank of England Minimum Lending Rate 7 per cent. (since August 15, 1977). It is now no longer a probability that the Bank of England will cut its rate in the near future.

Table with 12 columns: Interest rate, Term, and other financial data. Includes entries for 3-month, 6-month, and 12-month rates.

JONES STROUD Jones, Strood (Holdings) announces that it is once again effecting a capitalisation issue of 10 per cent. Cumulative Preference shares of £1 each.

FINA MAFINA B.V. Private Placement U.S. \$40,000,000 8% BONDS DUE 1st SEPTEMBER, 1987

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current Payment, Date, Corresponding Dividend, Total for Year, Total Last Year. Includes companies like RFT, BP, and various industrial firms.

MINING NEWS

CRA joins big Fijian copper prospect

BY KENNETH MARSTON, MINING EDITOR

THE Rio Tinto-Zinc group's 75.6 per cent-owned Conzinc Ruitina of Australia has joined the consortium...

BOARD MEETINGS

The following companies have notified their shareholders of board meetings...

FUTURE DATES

Table listing future dates for various companies including Anglo American, Anglo American Industrial Corp, etc.

MINORCO

MINERALS AND RESOURCES CORPORATION LIMITED

Year-end Results and Final Dividend on the Ordinary Shares

The following are the unaudited results of the Corporation and its subsidiaries for the year ended 30th June 1977...

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 30th June 1977

Large financial table showing consolidated profit and loss account with columns for 1977 and 1976 results.

NOTES:

- 1. INVESTMENT INCOME: Investment income comprises dividends and interest receivable for the year...

- 2. ZAMANGLO INDUSTRIAL CORPORATION LIMITED (Zamic): The amount of US \$1,405,000 comprises US \$563,000 (1976) investment income...

- 3. DIVIDENDS: Interim dividend of 4 cents a share declared 21st February 1977...

- 4. EXTRAORDINARY ITEMS: Deficit arising on the write down of provision against the following investments and loans...

- (a) Trend International Limited ("Trend"): The Corporation has a 43 per cent interest in Trend...

- (b) Australian Anglo American Limited ("AAA"): The Corporation has a 30 per cent interest in AAA...

DIRECTORATE

The resignation of Mr. S. Siro as a director of the Corporation on 31st March 1977 has been accepted with regret.

FINAL DIVIDEND No. 81

A final dividend of 8 cents a share (1976: 2 cents) (United States currency), for the year ended 30th June 1977, has been declared payable to members registered in the books of the Corporation...

This dividend, together with the interim dividend of 4 cents a share (1976: nil) declared on 21st February 1977 makes a total of 12 cents a share for the year (1976: 2 cents).

Dividend warrants will be posted from the registered office of the Corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 20th October 1977.

The dividend is payable subject to conditions which can be inspected at the registered office of the Corporation and also at the Johannesburg and United Kingdom offices of the local registrars.

For and on behalf of the Board: W. D. Wilson, C. W. H. Rely, Directors

Registered Office: Belvedere Buildings, Pitts Bay Road, Pembroke (P.O. Box 660 Hamilton 5) Bermuda

Afton's copper nears start-up

THE \$Can.80m. (43m.) open-pit copper mine of Afton Mines represents the only big new base metal project going ahead in Canada these days...

CSR makes new bid for AAR

AUSTRALIA'S CSR announces a cash and share alternative to its previously announced \$A1.75 (11p) per share cash offer for the AAR...

Minorco pays 8c final

A PROFIT of \$127m. (£7.3m) for the year to June 30 compared with \$65m. last time is announced by the Anglo American Corporation group's Minerals and Resources Corporation (Minorco).

BIDS AND DEALS (Continued)

BRABY LESLIE BUYS BREWING EQUIPMENT GROUP

Braby Leslie has acquired S. Briggs and Co., of Burton-on-Trent, manufacturers of equipment for the brewing processing industry.

BP/BAKELITE

BP Chemicals' negotiations with Bakelite Xylonite for the acquisition of that company's thermosetting division at Tysley, Birmingham, have now successfully been completed.

European Bank chief in Ulster

MR. DENIS KIRBY, operations manager of the European Investment Bank is in Ulster for two days to discuss possible borrowing requirements for public and private projects.

Builders starting 145,000 new homes this year

PRIVATE builders expect to start on new homes this year to total about 145,000, about 18,000 fewer than last year...

Technology launch costs 'help designers'

THE LARGE "entrance fees" companies needed to launch a new technology were "bad news for the inventor but good news for designers," Dr. Duncan Davies, chief scientist at the Department of Industry, said yesterday.

Force the very fat to slim, says doctor

GROSSLY overweight people should be forced to slim because they are a danger to themselves and a burden to the Health Service, says Dr. Ian Richardson, an ex-GP and former editor of Pulse, the medical magazine.

Pedigree dogs on computer

THE PEDIGREE of 500,000 dogs in Australia can be obtained by a push of a button—thanks to a British company.

Hales Properties Limited

Highlights for the year ending March 1977: Group turnover, rental income and profits all show increase over previous year.

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British Airways 'war' must end, says chairman

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AN END to what he termed the "senseless guerrilla warfare" in industrial relations in British Airways was urged by Sir Frank McFadzean, chairman, yesterday.

He was convinced that, even with present manning levels, the airline could be competitive with foreign airlines, provided it could achieve a higher level of reliability and serviceability.

Manning levels

While the airline was studying its future manning levels, Sir Frank said that he thought that with normal wastage and early retirement it ought to be possible to get by without major redundancies, but only if the "senseless guerrilla warfare" inside the airline was ended.

Technology launch costs 'help designers'

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SIR FRANK McFADZEAN

Sir Frank made it clear the workers had two options: either to make British Airways high-wage, high-productivity line, or to remain virtually standstill with low wages and low productivity.

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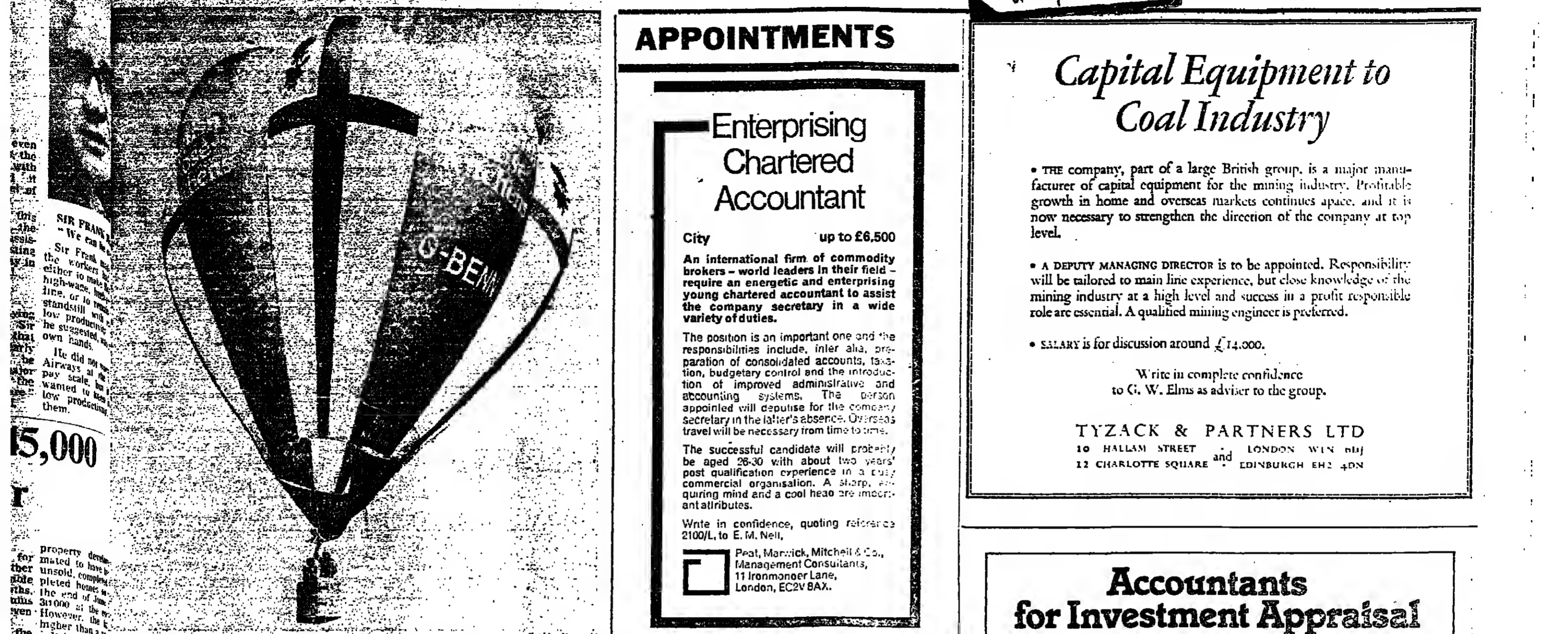
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Freddie Armstrong

Britain's national champion hot-air balloon pilot, Crispin Williams, carries out a check of his English Ruse-Riches balloon in London yesterday. He was making a tethered ascent in preparation for the third World Hot Air Balloon Championships to be held in Britain for the first time at Castle Howard, Yorks, from September 10 to 18. The balloon will be one of six which will make up the British team at the Championships. Mr. Williams, 33, who lives in Bessacarr, Doncaster, has been flying balloons for three years. He claims that he, his wife and two daughters make up Britain's only ballooning family.

ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

Table with multiple columns listing theatres, opera & ballet, and cinema listings for the week of September 2, 1977. Includes titles like 'The Rocky Horror Show', 'The Rocky Horror Picture Show', and 'The Rocky Horror Musical'.

APPOINTMENTS

Enterprising Chartered Accountant

City up to £6,500

An international firm of commodity brokers - world leaders in their field - require an energetic and enterprising young chartered accountant to assist the company secretary in a wide variety of duties.

The position is an important one and the responsibilities include, inter alia, preparation of consolidated accounts, taxation, budgetary control and the introduction of improved administrative and accounting systems. The person appointed will deputise for the company secretary in the latter's absence. Overseas travel will be necessary from time to time.

The successful candidate will probably be aged 26-30 with about two years' post-qualification experience in a large commercial organisation. A sharp, enquiring mind and a cool head are important attributes.

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Peat, Marwick, Mitchell & Co., Management Consultants, 11 Ironmonger Lane, London, EC2V 8AX.

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Experience in dealing with Government and Oil Company tenders would be an advantage. Very attractive remuneration plus profit sharing.

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Excellent prospects of personal career development. For further details please telephone: 01-588 3384

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No pensamos en un trabajo con dedicación exclusiva, preferimos contar con una persona con autonomía de gestión que pueda atendernos cuando se lo pidamos.

Interesados escribir en español, adjuntando fotografía y exponiendo historial profesional con referencias a:

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CASA PER IL MEZZOGIORNO HIGGINS BREWERY LTD.

8% GUARANTEED BONDS 1983

NOTICE IS HEREBY GIVEN that the TRANSFER REGISTERS in respect of the 8% Guaranteed Bonds of the above-named company will be closed from the 17th September 1977 to the 30th September 1977, both dates inclusive.

LEGAL NOTICES

No. 002748 of 1977

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of BITSA COWNS COMPANY LIMITED and in the Matter of the Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of August 1977, presented to the said Court by THE COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 24-26, Mark Lane, London EC3R 7BE, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 24th day of October 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company registered such copy of payment of the regulated charge for the same.

ART GALLERIES

ONEILL GALLERIES, 40, Abchurch Lane, London EC4N 3DF

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the undersigned notice in writing of his intention so to do. The notice must state the name and address of the person, or firm, or his or her solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named post office on the 23rd day of October 1977.

Capital Equipment to Coal Industry

- THE company, part of a large British group, is a major manufacturer of capital equipment for the mining industry. Profitable growth in home and overseas markets continues apace, and it is now necessary to strengthen the direction of the company at top level.
- A DEPUTY MANAGING DIRECTOR is to be appointed. Responsibility will be tailored to main line experience, but close knowledge of the mining industry at a high level and success in a profit responsible role are essential. A qualified mining engineer is preferred.
- SALARY is for discussion around £14,000.

Write in complete confidence to G. W. Elms as adviser to the group.

TYZACK & PARTNERS LTD
10 HALLAM STREET LONDON W1N 8JH
12 CHARLOTTE SQUARE and EDINBURGH EH2 4DN

Accountants for Investment Appraisal

Salary from £5,500-£5,900 per annum, plus car allowance.

Welsh Development Agency

The Agency is seeking to appoint a number of Chartered Accountants with 2-5 years' experience in the industry and investment appraisal. The main task of the Department is to assess the viability of projects in which the Agency may seek to invest.

Investigating Accountants will have to produce accurate and meaningful financial appraisals of projects and prepare relevant and clear reports. Good communicative skills at all levels together with the ability to obtain the 'feel' of the business and identify problem areas are essential.

We are particularly interested in hearing from candidates with accountancy qualifications whose careers cover experience in a variety of industries, in Investment Appraisal, in the Industrial Appraisal Department of a major group of companies.

Salary will be according to experience, but in the range £5,500 to £5,900 plus car allowance. There is a contributory pension scheme and generous leave allowance.

If you feel you meet the above criteria, please write or telephone for an application form.

Personnel Department (Ref 125P), Welsh Development Agency, Treforest Industrial Estate, Pontypridd, Mid Glamorgan, CF37 5UT. Tel: Treforest (044 385) 2666, Ext 262.

CORPORATE COMPTROLLER

LESOTHO NATIONAL DEVELOPMENT CORPORATION

Lesotho National Development Corporation undertakes a major role in the economy of Lesotho and is involved directly and through its subsidiaries in a wide range of light industrial and service industries.

The Corporate Comptroller is directly responsible to the Managing Director of the operation of the Corporate Accounting

- ★ Group and for providing financial advice and assistance to Group Directors and their accounting Staff.
- ★ The requirement is for a qualified Accountant with considerable analytical skills, having had at least ten years' industrial experience in financial information and control systems.
- ★ Salary equivalent approx. £10,000
- ★ Plus excellent additional benefits

Write in complete confidence to: Edgar Parnell (Dept. FT/1) FRIDA Recruitment Services Ltd 38 King Street LONDON WC2E 8JT

Credit Analyst

We are a Dutch subsidiary of a major Canadian bank based in Amsterdam and engaged in the business of international finance and lending. A considerable business volume is managed by a small very capable staff, which should now include a Credit Analyst. This position's primary responsibilities are:

- analysing all information bearing upon risk evaluation
- assessing the appropriateness of all credit documentation
- assisting the Manager in the administration of the loan portfolio

Salary is competitive and reflects the responsibilities of the position. If you believe you have the necessary qualifications please write, providing details of education and experience to date to:

The Manager RBC Finance B.V. Herengracht 465 Amsterdam

COMPANY NOTICES

IMPERIAL GROUP LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 5% Unsecured Loan Stock 1967 of Imperial Group Limited will be closed from 17th to 30th September, 1977, both dates inclusive.

By Order, F. M. DAVIES, Secretary.

17, Old Broad Street, London, EC2M 1JF.

107-112, Leadenhall Street, London EC3A 4AL.

PERSONAL

IS YOUR HOUSE larger than you need and wastes because of rates and repairs? It is because you are not using your house properly. Help the world's largest mortgage company, the National Mortgage Corporation, to help you convert your house into a cash asset. You can now get a cash loan of up to 10% of the value of your house. The money is yours to use as you wish. It can be used to pay off your mortgage, to buy a new car, to start a business, or to help your children. The money is yours to use as you wish. It can be used to pay off your mortgage, to buy a new car, to start a business, or to help your children. The money is yours to use as you wish. It can be used to pay off your mortgage, to buy a new car, to start a business, or to help your children.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Canadian banks top up equity

BY ROBERT GIBBENS

MONTREAL, Sept. 1.

STRONG third quarter growth in assets, higher profits and steady stock prices have prompted a rash of rights issues by Canadian commercial banks...

Controversy on Medici nomination

BY PAUL BETTS

ROME, Sept. 1

A ROW has erupted within Italy's national employers' confederation, Confindustria, over the envisaged nomination of the new chairman of the Montedison chemical group...

Elf buys U.S. chemical firm

BY ROBERT MAUTHNER

PARIS, Sept. 1

ELF-AQUITAINE, the French state-owned oil company, has concluded a deal with American partner to buy the wholly-owned chemical subsidiary of M and T...

EUROBONDS

Substantial premium for Barclays

BY MARY CAMPBELL

IN FIRST TIME trading yesterday, Barclays quickly moved to a substantial premium, while the coupon and maturity will be the same regardless of when the individual bonds are issued...

Montedison's decision to sell the French Press, and the nomination of French Government ministers in the affairs of the Montedison plant...

Manufrance rescue plan MANUFRANCE, a French order firm with retail outlets should lay off 500 of its employees under the terms of a recovery plan to rescue the company...

Problems for Montefibre UNDER PRESSURE from the French Government and trade unions, Montefibre France, the ailing synthetic fibre subsidiary of the Italian Montedison chemical giant...

Hoogovens denial The Board will be having discussions with the Dutch trade unions shortly in which it will set out the position of the company in the difficult steel market situation...

Peak performance at Air NZ WELLINGTON, Sept. 1. AIR NEW ZEALAND posted the highest ever profit in 27 years history in the financial year, according to company's report tabled in Parliament here today...

Chemetron to merge for \$160m. Faced with an unwelcome \$160m takeover offer from Crane Corporation, Chemetron, a leading industrial gases producer, has announced a vital merger agreement with Allegheny Ludlum...

World Value of the Dollar The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, August 31. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources...

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries including Peru, Philippines, Pakistan, Poland, Portugal, etc.

State move on Algots seen

BY WILLIAM DULLFORCE

STOCKHOLM, Sept. 1.

THE SWEDISH State is expected to take over Algots, the clothing concern which in June this year became the first company listed on the Stockholm Stock Exchange to apply for bankruptcy proceedings since the 1932 failure of 'Match Kieg'...

Bank Leumi assets

BY MICHAEL VAN OS

ASSETS employed overseas by Bank Leumi Le-Israel, Israel's largest commercial bank, constituted almost a fifth of total assets at the end of 1976, compared with little more than an eighth a year earlier...

Hoogovens denial

BY MICHAEL VAN OS

AMSTERDAM, Sept. 1

HOOGOVENS, the Dutch arm of the Dutch-German steel combine, has today rejected rumours circulating within the company that it was planning mass redundancies in view of the company's difficult situation...

Chemetron to merge for \$160m.

Faced with an unwelcome \$160m takeover offer from Crane Corporation, Chemetron, a leading industrial gases producer, has announced a vital merger agreement with Allegheny Ludlum...

Advertisement for Barclays Overseas Investment Company BV. Includes logo, company name, and details about U.S. \$100,000,000 8 1/2 per cent. Guaranteed Bonds 1992.

Advertisement for Atlantic International Bank Limited. Includes logo, company name, and financial highlights as at 30th June 1977.

Genesco net loss \$135m.

NET LOSS OF Genesco for the year ended July 31 was \$135.2m, compared with a profit a year ago of \$13.9m...

Genesco said the directors had unanimously approved the company's previously reported plan to direct the women's and children's apparel manufacturing operations and several other operations.

U.S. Peak profits, scrip from CUB

United in the recovery of substantial... (CUB) Australia's cost increases...

Recovery by Watts

WATTS HOLDINGS, the major construction and property development group, staged a solid recovery in 1976-77...

Malaysian insurance failure

Wong Suijong, head of the Kuala Lumpur-based insurance group, has ordered the local insurance industry...

Peak performance at Air New Zealand

WELLINGTON, New Zealand - Air New Zealand has achieved the highest performance in its 37-year history...

Turkey's big three reach new heights

ISTANBUL, Sept. 1. THREE of Turkey's largest private manufacturing and trading groups have reported record turnover and profits in 1976...

Sime Darby pulls out of rubber deal

SIME DARBY AUSTRALIA has scrapped its plans to buy the rubber division of South African Group Allied Rubber Mills...

Olympus Opt. ahead so far

SALES in the camera division rose 17.5 per cent to \$74.25m. in a year earlier...

FUGIT sets up second trust

THE BIGGEST South African investment trust, First Union and General (FUGIT), has published its first report...

Kempas Benta upturn

RESULTS for Kempas and Benta Plantations, two of Sime Darby's associate companies, for the first half of this year...

Table with columns for Country, Mid-Day Indications, and Bond Prices. Includes rows for Australia, Canada, and various Eurodollar bonds.

Advertisement for PSIT Property Security Investment Trust Limited. Includes text about Rental Income Up, Dividend Increase, and a table of results for the year ended 31st March 1977.

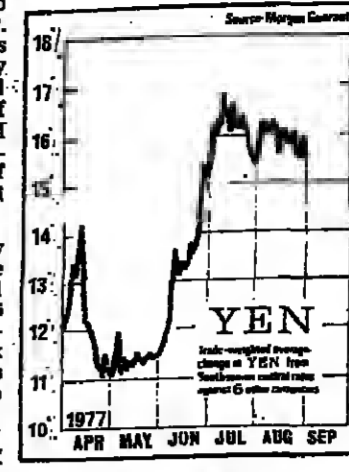
Advertisement for Jordan Petroleum Refinery Company Limited. Includes text about U.S. \$100,000,000 6-year floating rate loan and logo of the Hashemite Kingdom of Jordan.

Low 3 higher on inflation news Demand for £

GOLD MARKET

Table with columns for Gold Bullion (London, New York, etc.), Gold Coins, and Gold Bars.

Table with columns for Foreign Exchanges, listing various international exchange rates.



YEN

CURRENCY RATES

Table with columns for Special Drawing Rights, European Unit of Account, and various currencies like the Dollar, Swiss Franc, etc.

OTHER MARKETS

Table with columns for Argentina, Brazil, Canada, etc., listing market data for various countries.

NEW YORK, Sept. 2

STERLING remained in demand in foreign exchange market yesterday and it is probable that the authorities took further amounts of foreign currency into the reserves throughout the day.

HONG KONG—Shares improved in quiet trading after an earlier opening. Jardine Matheson were actively traded and ended at the day's best of \$HK17.40.

VIENNA—Barely steady in quiet dealing. COPENHAGEN—Slightly firmer in fairly active dealings. STOCKHOLM—Easier.

OSLO—Banks and Shippings were quiet but Insurance and Industrials edged higher. SPAIN—The general depression continued, with the Madrid index receding 0.79 more to 73.46.

By our Wall Street Correspondent. The Dow Jones Industrial Average improved 3.37 points to 864.86. The market overcame some hesitancy which developed mid-afternoon on news of a \$1.10 drop.

THURSDAY'S ACTIVE STOCKS

Table listing active stocks on Thursday, including Babcock Wilcox, Chemron, etc.

Indices

Table showing various indices like Industrial, Transportation, Utilities, etc.

STANDARD AND POORS

Table showing Standard and Poors indices for various sectors.

OVERSEAS SHARE INFORMATION

Large table listing overseas share information for various countries including Australia, Canada, Germany, etc.

N.Y.S.E. ALL COMMON

Table showing N.Y.S.E. All Common stock prices and indices.

MONTREAL

Table showing Montreal stock market data.

JOHANNESBURG

Table showing Johannesburg stock market data.

INVESTMENT PREMIUM

Table showing investment premium based on 3.60 per cent (85%).

CANADA

Table showing Canadian stock market data for various companies.

EXCHANGE CROSS-RATES

Table showing exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various currencies.

TOKYO

Table showing Tokyo stock market data for various companies.

BRUSSELS/LUXEMBOURG

Table showing Brussels/Luxembourg stock market data.

AMSTERDAM

Table showing Amsterdam stock market data.

COPENHAGEN

Table showing Copenhagen stock market data.

FORWARD RATES

Table showing forward rates for various currencies.

OSLO

Table showing Oslo stock market data.

JOHANNESBURG

Table showing Johannesburg stock market data.

PARIS

Table showing Paris stock market data.

SWITZERLAND

Table showing Switzerland stock market data.

MILAN

Table showing Milan stock market data.

VIENNA

Table showing Vienna stock market data.

Vertical sidebar on the right edge of the page containing various market data and advertisements.



Vertical text on the far left margin, including 'Friday September 2 1977' and 'Gold price'.

U.K. uses less softwood

U.K. CONSUMPTION of softwood held steady in the second quarter of this year at 2,650,000 cu m, compared with 2,640,000 cu m in the first three months.

British farmers back green krone stand

DR HENRY PLAMB, president of the National Farmers' Union, yesterday backed the move to oppose devaluation of the Danish krone until such time as...

COMMODITY MARKET REPORTS AND PRICES

Table containing various commodity prices and market reports, including sections for Base Metals, Lead, Zinc, and other commodities.

Australian arbitration bid in Japan sugar dispute

Australia has daily rejected Japanese offers for arbitration in the protracted dispute over the 5A12bn, five-year sugar supply deal signed late in 1974.

Aluminium scheme criticised

ALUMINIUM TRADERS in London have given a somewhat hostile reception to the scheme for establishing an aluminium exchange...

Strike hits U.S. grain companies

A STRIKE by the local branch of the International Longshoremen's Association has hit four leading grain elevator companies...

New talks on world wheat pact

WASHINGTON, Sept 1. DISCUSSIONS between the U.S., Canada, Australia and Argentina in preparation for the next international wheat Council meeting will be held next week...

French coffee price cut ordered

PARIS, Sept. 1. FRENCH WHOLESALEERS will be compelled by Government decree to cut their coffee prices by 10 per cent.

Heavy losses in the harvest battle

I STARTED as a dairy farmer, and a summer like this, with its intermittent rain, would have been a cause for thanksgiving.

British starting 'green revolution'

BRITAIN IS at the start of a "green revolution" in agriculture, the British Association for the Advancement of Science was told...

PRICE CHANGES

Table showing price changes for various commodities, including metals and oils, with columns for 'Price per tonne' and 'Change'.

U.S. Markets

Table showing U.S. market prices for commodities like cotton, wool, and sugar.

Wool Futures

Table showing wool futures prices for different grades and origins.

QUICKSILVER TALKS PLANNED

MADRID, Sept. 1. The Association of Quicksilver Producers will meet in Geneva in the second half of September...

Advertisement for 'Chauffeur Drive Service' in Great Britain, featuring the phone number 01-262 3134 and the name Victor Britain.

STOCK EXCHANGE REPORT

Gilts and shares below best on sign of unaltered MLR Share index 1.8 off at 499.1—ICI and BP pleases—Banks up

Account Dealing Dates
Option
First Declared Last Account
Dealings tions Dealings Day
Aug. 22 Sep. 1 Sep. 2 Sep. 13
Sep. 5 Sep. 15 Sep. 16 Sep. 27
Aug. 8 Aug. 18 Aug. 21

Following the recent upsurge, fuelled, in part, by hopes of a further reduction in day in aluminium Lending Rate, stock markets turned hesitant yesterday although prices were tending harder in the late trade following reports that Mr. Scanlon's engineering union will back the Government's 12-month pay rule.

amount of Exchequer 12 1/2 per cent, 1984, also 115-paid, came on offer but it was absorbed by continuing overseas buying and the stock, after easing to 14 1/2, closed unaltered at 14 1/2. This was also the case with most other long and medium-term gilts, which were mixed at the close but tending better in after-hours trading. The Bank of England signal for continued stability in interest rates, which virtually rules out a change in Minimum Lending Rate to-day, was accepted calmly. Immediate thoughts being that another cut is in the offing.

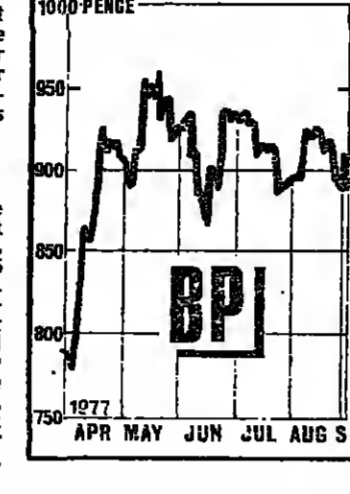
Small early selling of investment currency soon petered out and the premium, after easing to 84 1/2 per cent, rallied to close a net 1/4 higher on the day at 85 1/2 per cent. Yesterday's high exceeded expectations, but the ensuing attempt 0.8065 (0.8042).

M. Wrightson slump
Acute disappointment with the first-half profits standstill brought selling of Matthews Wrightson, which fell steadily to finish 35 down on the day at 253p.

AP Cement remained the dominant feature in a firm Building sector, attracting further support and closing 7 higher at 260p, after 261p, for a gain of 4 1/2 since the better-than-expected interim figures. Aggressive buying in a thin market helped Exona jump 1 1/2 to 123p, while Isthmian Johnson were prominent at 121p, up 11. Bure Bollool added 10 at 180p and following trading news Derek Crouch (Contractors) and Parker Timber were both 2 better at 74p and 102p respectively. Phoenix Timber advanced 10 to 134p and improvements of around 3 were seen in Johnson-Richards Tiles, 270p, Marchwiel, 223p, Millbury, 33p and RMC, 107p. Wimpey gained 10 on a request stock of the median top Treasury 91 per cent, 1983, 215-paid, at 14 1/2. The move caught the market off guard because it had generally anticipated that the first sales from this source would be made at a slightly higher level. A fair

the interim figures took ICI down to 414p, before the better-than-expected second-quarter profits caused a rebound to 426p before a close of a net 3 down on the day at 418p. Elsewhere in Chemicals, Allied Colloids rose to 255p and Williams Francis & Co. to 63p.

Church wanted
Leadloy Stores turned easier on end-account profit-taking. Marks and Spencer shed 4 to 131p as did Mothercare to 188p and Gussies "A" to 285p. Secondary issues, left Desoutter Brose, up 4 at 96p, British Northrop up 5 to 214p, and Pegler-Hattersley hardened 4 to 190p.



Motor and Distributors closed with the occasional small gain. Associated Engineering moved up 3 to 121p, while Kwik-Fit, 70p, and Dowty, 180p, put on 3 apiece. Wadhwa Stringer hardened 3 penny to 323p on the record interim figures which accompanied the fund-raising proposals. Lucas Industries, a firm market of late on the large order from Volkswagen, eased to 307p before closing 1/2 penny cheaper on the day at 309p.

Publishers Morgan Granpin were supported at 120p, up 6, while Home Counties Newspapers put on 5 to 50p; the latter's interim figures are due on September 15.

BP stimulates Oils
Second-quarter earnings well in excess of market anticipations not only raised British Petroleum issues but also aroused more interest in Oils generally. BP and the party-pair both gained on both Sibros (U.K.), down 14 ending late in the evening at the day's highest levels after a temporary minor reaction at around the official close. Shell, however, moved continuously as called by the market on balance at 390p, having earlier attained a peak for the year of 395p. Oil Exploration surged forward to 200p, a 1977 high, on rumours of a bid from either Phillips or Ultramar before ending a net 14 up at 280p, while Premier, which has a stake in the Oil Exploration, improved 1 1/2 to 19p; the last-named were also the subject of Press comment.

Redfern up again
Despite an early afternoon rally in sympathy with ICI's interim figures, the Miscellaneous Industrial majors generally closed easier for choice. Becham, a particularly firm market of late on the proposed 30 per cent dividend, was contrasted with a jump of 7 to 16p in a thin market on the capitalisation proposals, while revived bid speculation took Furnell Electronics up 8 to a 1977 peak of 205p.

Firm at outset, the Engineering majors steadily turned easier as the day progressed on end-account indices. Hawker, at 196p, lost the previous day's improvement of 8, while GIN ended a penny nil at 332p, after 333p. Elsewhere, speculative buying lifted Rotork 9 to 170p and Bullough revived with a gain of 11 to 130p. Reflecting the recent award of a lucrative contract, Matthew Hall added 7 to a 1977 peak of 201p and, buying in front of to-day's interim figures

the results, Esperanza Trade and Transport put on 7 to 214p. On an investment recommendation, Braby Leslie added 5 to 76p, and higher first-half earnings left Metal Closures a penny dearer at 58p. Kleemas Industrial on the other hand, shed 6 to 200p on disappointment with the interim results.

Motors and Distributors closed with the occasional small gain. Associated Engineering moved up 3 to 121p, while Kwik-Fit, 70p, and Dowty, 180p, put on 3 apiece. Wadhwa Stringer hardened 3 penny to 323p on the record interim figures which accompanied the fund-raising proposals. Lucas Industries, a firm market of late on the large order from Volkswagen, eased to 307p before closing 1/2 penny cheaper on the day at 309p.

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FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Sec, Fixed Interest, Industrial Ordinary, Gold Mines, Div. Div. Yield, Earnings T, P/E Ratio, Debt, Equity turnover, Equity margins total.

Table with columns: High, Low, High, Low, High, Low, High, Low. Includes Govt. Sec, Fixed Int., Ind. Ord., Gold Mines.

Table with columns: Deal, Last, Last, Last, Last, Last, Last, Last. Includes Deal, Last, Last, Last, Last, Last, Last, Last.

Table with columns: Deal, Last, Last, Last, Last, Last, Last, Last. Includes Deal, Last, Last, Last, Last, Last, Last, Last.

Table with columns: Deal, Last, Last, Last, Last, Last, Last, Last. Includes Deal, Last, Last, Last, Last, Last, Last, Last.

Table with columns: Deal, Last, Last, Last, Last, Last, Last, Last. Includes Deal, Last, Last, Last, Last, Last, Last, Last.

EUROPEAN MOTOR CONFERENCE

FRANKFURT - 12 & 13 SEPTEMBER 1977
A conference organised by the Financial Times and Automotive News

- Chairman: Mr. Edward Ruter
Members: Mr. R. Lutz, Mr. Colin Hill
Sponsors: Mr. Sergio Pininfarina, Mr. David E. Bacha, Mr. M. Dain, Mr. Colin Hill, Mr. E. A. Callero, Mr. G. Cortesi, Mr. G. H. Lander, Mr. M. H. Hinks-Edwards, Prof. Oring Hans Joachim Forster

Registration form with fields for Name, Title, Company, Address, and contact information.

RECENT ISSUES

Table with columns: Issue, Price, Date, etc. Includes EQUITIES and FIXED INTEREST STOCKS.

Table with columns: Issue, Price, Date, etc. Includes EQUITIES and FIXED INTEREST STOCKS.

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FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS, Thurs., Sept. 1, 1977, Wed. Aug. 31, Tues. Aug. 30, Fri. Aug. 26, Thurs. Aug. 25.

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AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

ES STOCK MARKET: Table listing various stock market indices and prices, including FTSE 100, FTSE 250, and various sector indices.

UNIT TRUSTS: Large table listing numerous unit trusts with columns for name, manager, and performance metrics. Includes sections for 'BASE LENDING RATES' and 'FOOD PRICE MOVEMENTS'.

OFFSHORE AND OVERSEAS FUNDS: Table listing international and offshore investment funds, including their names, managers, and performance data.

INSURANCE, PROPERTY, BONDS

INSURANCE, PROPERTY, BONDS: Table listing various insurance, property, and bond products, including company names and policy details.

CLIVE INVESTMENTS LIMITED: Advertisement for Clive Investments Limited, providing contact information and details about their investment services.

HOTELS—Continued

Table of hotel stocks including North of T10p, Prince of Wales, Queen's Head, etc.

INDUSTRIALS (Miscel.)

Large table of industrial stocks including A.A. Research, Alcon Research, Alcon Research, etc.

FT SHARE INFORMATION SERVICE

AMERICANS—Continued

Table of American stocks including American Int'l, American Int'l, etc.

BUILDING INDUSTRY—Cont.

Table of building industry stocks including Galliford P., Galliford P., etc.

DRAPERY AND STORES—Cont.

Table of drapery and stores stocks including MFI House, MFI House, etc.

ENGINEERING—Continued

Table of engineering stocks including Greenhall, Greenhall, etc.

Frealey & Baker, Surveyors Valuers and Auctioneers of Real Estate, 29 St. George Street, London W1A 3BG.

BRITISH FUNDS

Table of British funds including British Fund, British Fund, etc.

Over Fifteen Years

Table of funds with over fifteen years history.

Five to Fifteen Years

Table of funds with five to fifteen years history.

Undated

Table of undated funds.

INTERNATIONAL BANK

75, Spence Street, 81, 1-1, 6.11, 9.72

CORPORATION LOANS

Table of corporation loans including various companies.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loans.

LOANS (Miscel.)

Table of miscellaneous loans.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks including various companies.

CANADIANS

Table of Canadian stocks including various companies.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase companies.

Hire Purchase, etc.

Table of hire purchase and other services.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit stocks.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV stocks.

DRAPERY AND STORES

Table of drapery and stores stocks including various companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks.

ELECTRICAL AND RADIO

Table of electrical and radio stocks.

ENGINEERING, MACHINE TOOLS

Table of engineering and machine tools stocks.

FOOD, GROCERIES, ETC.

Table of food, groceries, and other stocks.

HOTELS AND CATERERS

Table of hotels and caterers stocks.

INDUSTRIALS - Continued. Table listing various industrial stocks with columns for stock name, price, and other financial metrics.

INSURANCE. Table listing insurance companies and their stock prices.

PROPERTY - Continued. Table listing property-related stocks and their prices.

TRUSTS - Continued. Table listing various trusts and their stock prices.

TRUSTS - Continued. Table listing trusts, including O.F.S. and Finance sections.

NOMURA The Nomura Securities Co., Ltd. Logo and company information.

MOTORS, AIRCRAFT TRADES

Motors and Aircraft Trades table listing companies like Rover, Bentley, etc.

SHIPBUILDERS, REPAIRERS

Shipbuilders and Repairers table listing shipbuilding companies.

SHOES AND LEATHER

Shoes and Leather table listing shoe and leather goods companies.

SOUTH AFRICANS

South Africans table listing companies from South Africa.

TEXTILES

Textiles table listing textile manufacturing companies.

PAPER, PRINTING ADVERTISING

Paper, Printing and Advertising table listing related companies.

PROPERTY

Property table listing real estate and property companies.

TOBACCO

Tobacco table listing tobacco companies.

INSURANCE

Insurance table listing insurance companies.

Commercial Vehicles

Commercial Vehicles table listing truck and van companies.

Components

Components table listing automotive parts suppliers.

Gases and Distributors

Gases and Distributors table listing gas supply companies.

NEWSPAPERS, PUBLISHERS

Newspapers and Publishers table listing media companies.

TEAS

Teas table listing tea companies.

MINES

Mines table listing mining companies.

CENTRAL RAND

Central Rand table listing mining companies in the Central Rand region.

EASTERN RAND

Eastern Rand table listing mining companies in the Eastern Rand region.

FAR WEST RAND

Far West Rand table listing mining companies in the Far West Rand region.

OVERSEAS TRADERS

Overseas Traders table listing international trading companies.

RUBBERS AND SISALS

Rubbers and Sisals table listing rubber and sisal companies.

India and Bangladesh

India and Bangladesh table listing companies from these regions.

Sri Lanka

Sri Lanka table listing companies from Sri Lanka.

Africa

Africa table listing companies from Africa.

MINES

Mines table listing mining companies.

CENTRAL RAND

Central Rand table listing mining companies.

EASTERN RAND

Eastern Rand table listing mining companies.

FAR WEST RAND

Far West Rand table listing mining companies.

OILS

Oils table listing oil and petroleum companies.

TEAS

Teas table listing tea companies.

MINES

Mines table listing mining companies.

CENTRAL RAND

Central Rand table listing mining companies.

EASTERN RAND

Eastern Rand table listing mining companies.

FAR WEST RAND

Far West Rand table listing mining companies.

O.F.S.

O.F.S. table listing Overseas Financial Services companies.

FINANCE

Finance table listing financial institutions.

DIAMOND AND PLATINUM

Diamond and Platinum table listing diamond and platinum companies.

MINES - Continued

Mines - Continued table listing mining companies.

AUSTRALIAN

Australian table listing Australian mining companies.

TINS

Tins table listing tin mining companies.

COPPER

Copper table listing copper mining companies.

MISCELLANEOUS

Miscellaneous table listing various other companies.

NOTES

Notes section containing financial news and commentary.

REGIONAL MARKETS

Regional Markets table listing regional stock exchanges.

OPTIONS

Options table listing options contracts.

3-month Call rates

3-month Call rates table listing interest rates for call options.

Top quality ventilation Vent-Axia the fug fighter

Joseph launches attack on Scarman report

Tories firmly on side of Grunwick

BY RICHARD EVANS AND NICK GARNETT

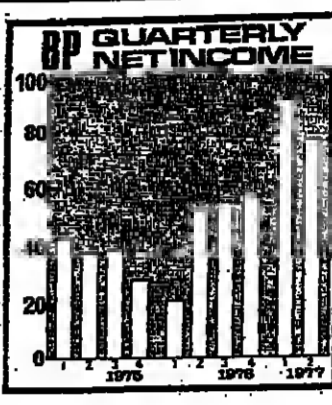
SIR KEITH JOSEPH, one of Mrs Thatcher's most influential policy advisers, last night aligned the Opposition firmly on the side of Mr George Ward, Grunwick's managing director, by launching a scathing condemnation of the Scarman Report.

side, while arguing that the company's punishment of the letter of the law broke the "spirit" or the "policy" of the law. He complained that the report found the union "fully justified" in invoking the help of the trade union movement for mass picketing, even though it argued that violence should have been foreseen.

THE LEX COLUMN

Why ICI may fall back into line

Despite good figures from ICI and BP the equity market could not hold above the 500 P.T. Index level once it had become clear that the Bank of England wanted MLR to stay unchanged this week.



ICI continues to be the odd man out amongst the world's chemical majors. While almost all its international rivals have reported noticeably lower second quarter profits, ICI's pre-tax profits rose 11 per cent in the April-June quarter to £168m, stripping out exchange rate movements the growth jumps to over a third.

Portugal approves Renault expansion plan

BY ROBERT MAUTHNER

AN AMBITIOUS Frs.1bn. (about £120m.) project by the French nationalised motor car company, Renault, to expand its activities in Portugal, has been approved by the Portuguese Government.

Barclays merchant banking chief quits

BY MICHAEL BLANDEN

MR CHARLES BALL, brought in last year to spearhead the expansion of Barclays Bank's merchant banking business, has resigned after differences of opinion within the group.

Military balance of power moving against the West

BY MALCOLM RUTHERFORD

THE MILITARY balance of power in Europe is moving steadily against the West, and some Soviet weapons are now superior, both in quality and quantity, to anything the West has produced, according to the latest figures from the London-based International Institute for Strategic Studies (IISS).

Bank intervenes to stop cut in MLR from 7%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK of England intervened yesterday to prevent a cut in Minimum Lending Rate from its current level of 7 per cent at this afternoon's tender.

Weather

Table with columns for U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS, listing weather conditions and temperatures for various locations.

Rhodesia

Continued from Page 1. The British Commissioner designate would start detailed negotiations with all the Rhodesian parties. These talks would principally cover the law and order aspects.

A few words about Tokai Bank's expanding international operations.

Advertisement for Tokai Bank featuring a cartoon illustration of a man and a woman talking, with speech bubbles containing text about the bank's international operations and services.

Handwritten signature or note at the bottom of the page.